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ANNUAL REPORT OF THE POSTMASTER GENERAL

HEARING

BEFORE THE

SUBCOMMITTEE ON FEDERAL SERVICES,
POST OFFICE, AND CIVIL SERVICE

OF THE

COMMITTEE ON
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

FIRST SESSION

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March 16, 1987

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ANNUAL REPORT OF THE POSTMASTER GENERAL

MONDAY, MARCH 16, 1987

U.S. SENATE,
SUBCOMMITTEE ON FEDERAL SERVICES,
POST OFFICE, AND CIVIL SERVICE,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2:30 p.m. in room SD-364 Dirksen Senate Office Building, Hon. David Pryor, Chairman of the Subcommittee, presiding.

Present: Senators Pryor, Sasser, and Stevens.

OPENING STATEMENT OF SENATOR PRYOR

Senator PRYOR. I think Senator Stevens will be here momentarily, and I will take the liberty of beginning with a few short opening comments.

I am very pleased today, as the Committee is, to welcome the Postmaster General of the United States, Preston R. Tisch, as he makes his initial appearance before this Subcommittee. He is here today to report on the state of our Postal Service.

General Tisch, you might want to think of this as an annual stockholders' meeting. I consider myself to be just one of the stockholders, along with about 230 million other Americans. I am, of course, holding the proxies of some of those folks.

Now, do not worry. I am not about to start a stockholders' revolt. Quite the contrary. I always have been and will continue to support the world's best universal postal service. You should know, however, that does not mean I am going to ignore any warts that I might see.

In this regard, one matter that I think needs prompt attention is the talk about increasing the First Class stamp to 26 cents next year. I was back home this weekend, and I want to tell you I got quite an ear full.

People remember that there have been three rate increases in the last 6 years. They remember that in 4 of those years, 5 if you disregard some creative accounting used in 1981, the Postal Service reported a surplus. And, they know that you have been projecting a surplus for this year.

After all those years of claims of success by managers at Postal headquarters, it is difficult for people to understand why we need another rate increase so soon. And, personally, I have great difficulty believing the claims of senior Postal officials that the culprit is the new Federal Employees Retirement Program. This new program has been in effect less than 3 months.

The first sentence in your annual report says that, "Caring about customer satisfaction and working to attain that satisfaction are the cornerstone of the Postal Service."

This hearing is being held so we can hear your report, discuss some of your goals, and ask questions for the record about some of the Postal Service's decisions.

Postmaster General Tisch, you now have the floor. I understand you have some of your personnel with you, and we would like them to be introduced and get their names into the record.

TESTIMONY OF PRESTON R. TISCH, POSTMASTER GENERAL, U.S. POSTAL SERVICE, ACCOMPANIED BY MICHAEL S. COUGHLIN, DEPUTY POSTMASTER GENERAL, COMER S. COPPIE, SENIOR ASSISTANT POSTMASTER GENERAL, FINANCE AND PLANNING GROUP, AND HAROLD J. HUGHES, DEPUTY GENERAL COUNSEL

Mr. Tisch. Thank you, Senator Pryor. First, I would like to introduce my associates who are at the table with me. First, is Michael Coughlin, the Deputy Postmaster General, on my right. And next to Mr. Coughlin is Mr. Harold Hughes, who is the Deputy General Counsel of the U.S. Postal Service. On my left, is Mr. Comer S. Coppie, the Senior Assistant Postmaster General for Finance and Planning.

I do appreciate being here with you today and having the opportunity to provide you with a status report on the condition of the nation's Postal Service.

In our opinion, that condition is very good. And there is every indication that the Postal Service is well-situated to meet the challenges of the future.

This assessment is based in part on a spirited commitment to being the very best. In the past year, the Postal Service has put increased emphasis on delivering quality, competitive services. We are adapting our methods of doing business to meet the needs of our customers.

This enhanced attention to customer satisfaction recognizes a simple fact: If the Postal Service does not deliver the kind of service the American people have every right to expect and receive, some other organization might.

The record shows we are meeting this important challenge. Last fall, a public opinion poll reported that 88 percent of those surveyed have a favorable impression of the Postal Service. Recent performance records have helped.

Service performance for Fiscal Year 1986 increased at a time when mail volume reached an all time high of 147.4 billion pieces. While we became more service oriented, we kept sight of the bottom line, closing out the Fiscal Year with a net income of $304.6 million. These favorable trends have continued into the current Fiscal Year.

First quarter figures show that Express Mail reached a new record high for the period with an on-time performance rating of 96.2 percent. In our first 4 week accounting period, Express Mail set a record high of 97.1 percent on-time delivery.

Stamped First Class Mail, metered mail and parcel post followed suit, setting all time records for the first quarter.

On the financial side, the Postal Service recorded a net income of nearly $436 million through Accounting Period 5. We expect to break even or show a modest surplus this year. But increased costs, over which the Postal Service has little or no control, will require us to find new ways to do more with less.

Our responsibility under the new Federal Employees Retirement System is expected to increase costs by an additional $400 million in Fiscal Year 1987 and some $1.4 billion in Fiscal Year 1988.

In addition, the Postal Service is paying the Government's share of annuitant health benefit costs for Postal employees retiring after September 30, 1986.

This responsibility will start at approximately $13 million in the Fiscal Year 1987, growing larger in subsequent years.

While these new costs may influence the timing of the general rate case, we are committed to squeezing full value out of every penny we earn. We have redoubled our efforts to reduce costs as much as possible without impairing service.

One means of holding the line against rising costs is to make maximum use of state-of-the-art mail processing equipment. We recently resumed the process of acquiring multiline optical character readers [OCRs] in order to enhance our mail processing automation efforts.

Multiline equipment, coupled with the ZIP+4 code, promises to maximize the potential savings inherent in automation.

As a first step toward tapping these savings, Phase II single line OCR's already built or in production will be modified to read full addresses. We expect the first modified equipment to be deployed in February, 1988.

We also plan to accept bids to upgrade, replace or supplement the earlier Phase I equipment. This modification program will enable us to quickly begin capturing the critical savings available from the multiline process.

In refocusing our attention on improving customer service and the competitive stance of the Postal Service, we expect to depend heavily on our most important resource: our employees.

We are continuing efforts to assure Postal employees a quality work environment in which each individual is allowed to reach his or her full potential. Toward this end, the employee involvement/quality of work life process continues to expand.

We are also strengthening our already sound record of providing equal employment opportunity for each of our 780,000 employees.

Through a renewed emphasis on upward mobility, as well as outreach and training programs, we hope to ensure that each employee is given every opportunity for career advancement.

These efforts are paying off. Last year alone, nearly 25 percent of the newly appointed Postal executives were women or minority employees. While I believe our record in this area is good, we do not intend to become complacent. Our goal will not be reached until we can be sure that ability is the sole basis on which every Postal applicant or employee is judged.

Our responsibility to our employees does not stop with EEO and a quality work life. Our most basic obligation is to provide a safe and healthful work environment. I am happy to say that we are meeting this obligation more successfully than at any other time in the history of the Postal Service.

The latest available figures indicate that the total number of accidents reported through Accounting Period 5 was down by 6.1 percent from the same period in Fiscal Year 1986. Figures for occupational and lost work day injuries also reflect considerable improvement.

Looking forward to the labor negotiations which begin next month, I have every expectation that a fair, reasonable negotiated settlement will emerge from the bargaining table. The watch word this spring must be "fairness," fairness to our employees, fairness to our organization and fairness to the Postal rate payer.

Thank you, sir, and Senator Stevens. I would be pleased to answer any questions you might have.

Senator **Pryor**. Thank you, Mr. Postmaster General. Senator Stevens has arrived, and I know that he may have an opening statement, so I will yield the floor at this time to Senator Stevens.

OPENING STATEMENT OF SENATOR STEVENS

Senator **Stevens**. I thank you very much, and I apologize for being late. I would like, Mr. Chairman, to put my prepared statement into the record.

Senator **Pryor**. Without objection.

[Senator Stevens prepared statement follows:]

Prepared Statement of Senator Stevens

First of all, Mr. Chairman, I applaud you for holding the annual Postmaster General's hearing so early in the session. I also want to take this opportunity to express how pleased I am that we are once again working together on postal issues. It has always been a pleasure to work with you and your staff.

This is also the PMG's maiden appearance before us and I, too, want to welcome him.

I am pleased that we are having these hearings so early for it gives us a chance to go over with Postmaster General Tisch the major issues facing the Postal Service, issues which are of concern to us and our constituents. I have read the Comprehensive Statement on Postal Operations which you have provided us and it contains some very good news for postal customers. But, there are some ominous features in it as well.

I am particularly concerned by the trend I see in mail volumes. Although mail is increasing, the percentage of increase, in most categories, is decreasing significantly. In fact, some categories show a consistent loss of volume and this is during a time when the economy has been strong, interest rates have been down, inflation held in check, employment high and rates stable.

When I see these trends and when I read of the Postal Service's plans to file a rate case soon and implement a postage increase next year, I become even more concerned as to what an increase will do to these mail volume trends. I am sure you will agree with me that mail volume is the absolute key to the health of the Postal Service.

I look forward hearing from Mr. Tisch.

Senator **Stevens**. Senator Roth has indicated that he would not be able to be here. He did ask me to let you know, Mr. Tisch, he is very concerned about the possibility of a rate increase. Mr. Chairman, he also said he would like to submit a statement for the record.

Senator **Pryor**. Certainly.

[Senator Roth's statement follows:]

OPENING STATEMENT OF SENATOR ROTH

Less than a year ago, postal officials said a rate increase was unlikely in 1988. Recent statements, however, indicate a rate increase may be sought sooner than expected. Postal rates affect the pocketbooks of virtually every American—and any increase, be it one cent or five cents, must be considered carefully.

The Postal Service suggests that an earlier increase may be necessary to meet the increasing demands of their retirement system. I have great trouble with this notion. New labor contracts, increased personnel, construction projects, and delaying the last rate increase are also factors contributing to the potential need for increased revenues. If the Postal Service needs a rate increase, and I am not at all sure they do, let's at least be clear why.

It must be crystal clear that the new Federal employee retirement system saves the Government and the taxpayer money. It does not cost money. In fact, the new FERS plan will reduce the Federal deficit by more than eight billion dollars during the next five years. Under the new FERS, the normal cost to the Federal Government for an employee's retirement has been reduced from 25 percent to 22.9 percent of pay. This represents a substantial saving.

Equally important, under the civil service retirement system, the Federal Government provided funds from general revenues to subsidize the Postal Service's retirement needs. The FERS plan requires the Postal Service, as an independent agency, to fund its own retirement system. There is no reason why general tax revenues should be used to fund the retirement costs of the independent Postal Service. To suggest that the new retirement plan is going to cost the American taxpayer more money is to misrepresent the new plan.

The FERS was the culmination of nearly three years of intensive congressional effort. It will offer employees new options for planning their retirement, like scores of private company programs. In addition, the cost savings are very substantial. Any new responsibility placed on the Postal Service is a responsibilty they should rightfully assume.

The Postal Service has run a surplus for four of the last five years. The high standards of service continue, while mail volume grows annually, reaching an all-time high of more than 145 billion pieces. With increased volume, the service ended the fiscal year with a surplus of more than $300 million.

This surplus, and the favorable fiscal trends experienced during the first part of fiscal year 87, raise concerns over the need for an increase in the near future. Many factors determining the Postal Service's operating expenses, including fuel prices, overall inflation levels, and cost of living wage adjustments have been smaller than expected during the past year.

Despite these savings, postal officials have suggested that the timetable for a rate increase must be moved forward. The original timetable permitted the Postal Service to complete their labor negotiations before contemplating a rate increase. I believe it is critical that this timetable be maintained. Considering the fact that more than 80 percent of the Postal Service's operating budget is related to personnel costs, only after the labor negotiations are completed can one accurately determine the future costs of the service.

Another factor would suggest the prudence of waiting. Based on government wide estimates, it is assumed that 40 percent of Federal employees will switch to the new FERS. In terms of the Postal Service, it is assumed this will increase retirement costs in the range of $1.8 billion over the next two years. We must bear in mind that this is simply an estimate, and may be faulty at that. The 40 percent figure was developed on a government wide basis—and not intended in terms of specific agencies and departments. Applying such an estimate to the Postal Service, as well as any individual agency, could be entirely offbase.

Under the new FERS plan, employees will be able to switch to the new plan during a six month open season, from July 1, 1987 to December 1, 1987. Only after this window closes, will we have an accurate picture of the Postal Services new retirement costs. Considering this, as well as the up and coming labor negotiations, it would be prudent for postal officials to wait. Only then, can we get a fair and accurate picture of the true need for a rate change. If we must have an increase, at least lets be fair in stating why.

Senator PRYOR. Let's talk about the proposed rate increase for a moment, General Tisch.

At the March board meeting, you announced that the cost to the Postal Service of the new retirement program, Federal Employees' Retirement System [FERS], would be $2 billion. Last week, your deputy told business mailers that FERS will force Postal rates up in 1988, a year earlier than originally planned. He talked in terms of a 4 cent increase, to 26 cents for a First Class stamp.

Now, are you telling the Committee this afternoon that the only reason for the proposed increase from 22 to 26 cents is because of the new Federal Employees Retirement System program?

Mr. **Tisch**. That is only part of it, sir. The roughly $2 billion increase in retirement costs that we anticipate is based on OMB guidelines. It is only part of the need for filing a rate increase request, but it is a major part of filing for a rate increase earlier than we originally anticipated, which would have been 1989.

Mr. Coppie, on my left, has great financial detail in reference to the same and I would like him to respond.

Senator **Pryor**. Mr. Coppie?

Mr. **Coppie**. Mr. Chairman, I think it is important to understand the assumptions on which these estimates are based. By the OMB Circular, relative to the formulation of the Fiscal Year 1988 budget, we were required to use a 40 percent conversion factor for CSRS employees switching into the new Federal Employees Retirement System.

That is what we have used for planning purposes. That is one assumption.

The second assumption is that all employees that have come into the Postal Service beginning January 1, 1984, are automatically folded into the Federal Employees Retirement System.

That cost for Fiscal Year 1987 will be $283 million. And for 1988 it will increase to $472 million. Those are costs which are certain, because we can measure them absolutely.

The 40 percent conversion factor is another assumption that we have used for projecting costs and for 1987 that is going to be an additional cost of a little better than $100 million, but for 1988, it will be about a billion dollars.

So, the additional cost to the Postal Service over the 2 years, 1987-1988, would be about $1.8 billion, assuming the assumptions that I have outlined for the purposes of the first cost.

I think it is important, Mr. Chairman, to understand that these are planning assumptions. One is an absolute assumption. The other is an assumption that we have used for planning purposes.

I would also underscore the fact that each 5 percent conversion of current employees will cost approximately $135 million. So, when you take that and go to 40 percent, that is a heavy cost factor impacting on the Postal Service for Fiscal Year 1988.

Senator **Stevens**. Would you yield right there?

Senator **Pryor**. Sure. Go ahead.

Senator **Stevens**. Well, now, that is an impact on the Postal Service, but it is an actual reduction in cost to the Federal Government, is it not?

Mr. **Coppie**. Senator Stevens, it is.

Senator **Stevens**. And in the past, the taxpayers subsidized the Postal Service, although we were telling everybody that it was not subsidized.

Mr. **Coppie**. Well, I do not think the Postal Service has told anyone that it was not being subsidized indirectly by the Federal Government.

Senator STEVENS. Well, it is not listed as being a subsidy of the Postal Service, but as a matter of fact, the taxpayers were paying the retirement costs to Postal Service employees and the Postal Service was not paying the total cost into the general treasury to fund that.

Mr. COPPIE. It was paying a share of the cost, but certainly not the full share of the cost.

Senator STEVENS. It was paying the titular share of the old system, which was somewhere around 14 percent, but the actual cost is about 25 percent of payroll.

Mr. COPPIE. That is correct.

Senator STEVENS. Now we have got a new system which is actually saving the Federal Government money and for the first time the Postal Service is paying its full share as a separate entity of that retirement system for its employees. Is that correct?

Mr. COPPIE. From day one.

Senator STEVENS. From day one, that is right. But all agencies of the Federal Government have paid that in the past.

Mr. COPPIE. It is my understanding that the Federal Civil Service Retirement System is substantially underfunded——

Senator STEVENS. It is.

Mr. COPPIE. And part of it has to be paid for through general tax dollars for all agencies. And it is that subsidy that——

Senator STEVENS. No, I am talking about from day one, the other Federal agencies are paying the same thing that you are requiring now.

Mr. COPPIE. That is correct for the new Federal Employees Retirement System.

Senator STEVENS. It is an up front system of financing of the Federal Employees Retirement System from January 1, 1984.

Mr. COPPIE. That is correct.

Senator STEVENS. Now, this cost that you are absorbing, though, so everybody understands, is less than the prior cost of the Federal Employees Retirement System to the total Federal Treasury.

Mr. COPPIE. It is less than the total cost of the Civil Service Retirement System which was not previously fully funded for any agency.

Senator STEVENS. I do not know if you agree with me, but that is my opinion.

Senator PRYOR. Well, I would like to ask a question on that point. Now, if fewer Federal employees decide to use the old system and not the new system, would this lessen the burden, and, therefore, maybe the increase to 26 cents would not be necessary? Is this correct?

Mr. COPPIE. That is correct. As I said, each 5 percent would cost $135 million. So, you can build from there. And what we have used for planning purposes is a 40 percent conversion factor. That is being used throughout the Federal establishment.

Senator PRYOR. A 40 percent conversion of factor would be $2 billion. Is that roughly the contributions of the Federal Government to the Postal system?

Mr. COPPIE. The combined costs over the two year period, 1987–1988, to the Postal Service, assuming that conversion factor, is a $1.8 billion increase.

Senator **Pryor**. Is it not true that OMB told you to factor in the $2 billion figure?

Mr. **Coppie**. Their circular on the Federal Budget Instructions requires a 40 percent conversion factor.

Senator **Pryor**. If you increase the postage rate from 22 cents to 26, let us say for next year, when is the final opportunity you have of submitting this request to the Board?

For example, I would hate to see you submit a request to raise the rate by 18 percent, then find that fewer Federal employees in the Postal Service are going to opt for the new program, thereby, you would have a big windfall in the Postal Service. We are trying to prevent that. In fact, if we could, we would prevent you from increasing the stamp at all at this time.

Mr. **Tisch**. Senator Pryor, Mr. Coughlin will speak for himself, but in no way, at any time, did the Postal Service ask for a 26 cent stamp.

We have said that we expect to present to the Board of Governors in the month of April justification for an increase, but we never did say it would be a 26 cent stamp.

Senator **Pryor**. Well, where did the 26 cent figure come from?

Mr. **Coughlin**. I can address that, Mr. Chairman.

Senator **Pryor**. Yes, sir, Mr. Coughlin.

Mr. **Coughlin**. It came last week during a discussion with a reporter from "The New York Times." The fact is that the Postal Service has made no decision yet about what the amount of a new First Class stamp might be. We do not have sufficient data as yet to pin that down.

We are working on it now, but the 26-cent figure it came in response to a question by a reporter that went something like this:

"Will the new rate be as high as 27 cents?" And my response was, "Probably not. We just do not know." And that 26 cents is his number. He has made that assumption himself and I would not say anything more about it, frankly.

Senator **Pryor**. Will this Committee be given any update on the findings of the figures or the request, if you do make a request? Will you keep us abreast of what is going on? I would hate to read about it in the paper the next day.

Mr. **Coughlin**. To the extent that we can, yes. It is a very dynamic process. We are going to be discussing and have been discussing with the Board every month the projection of what our financial situation will look like.

The Board—and this is a Board decision, it is not just a management decision to file for new rates—the Board will consider it each month, starting in April and when they think it is appropriate to file in terms of the timing and the amount, they will make that decision.

And if we are able to, we will give you some advance warning of what is coming.

Senator **Pryor**. Let us see if I can get a commitment from you this afternoon. Will you commit to us to lower your initial request for a rate increase if the retirement costs are less than projected?

Mr. **Tisch**. The projection that we are working on is 40 percent, which has been sent to us and given to us by the OMB. We also have an outside consultant who tells us that in his opinion, at this early stage, it looks like somewhere between 35 and 51 percent of our Civil Service people will opt for the new FERS.

We will not know, prior to our submission to the Postal Rate Commission, how many people will be transferring to the new system as the open season for that runs July 1, 1987, to December 31, 1987.

In all probability, the rate case will be filed prior to December 31, 1987. We will not know how many people will have transferred to the new retirement plan until about February 1, 1988.

Senator Pryor. Well, when I was having lunch with some of my Senate colleagues about two hours ago, I told them that we were having this hearing; and they said to please let you know on their behalf that is about all they are hearing from their constituencies, just as Senator Stevens and I are hearing from our constituencies.

Speaking of that outside consultant, is this a Mr. John Garrity?

Mr. Tisch. No, I am sorry. The outside consultant is who, Mr. Coppie?

Mr. Coppie. I want to provide the specific names for the record.

Senator Pryor. Certainly.

[The information referred to follows:]

The consultant hired to evaluate the OMB furnished conversion rate figure, as it applied to the Postal Service, was Towers, Perrin, Foster and Crosby.

Senator Pryor. But it is not Mr. John Garrity?

Mr. Coppie. It is not Mr. Garrity.

Senator Pryor. I want to discuss Mr. Garrity's role in just a moment. Senator Stevens, do you have any further questions on the rate increase?

Senator Stevens. Having been the sponsor of that retirement plan, I recall so well that we demonstrated that overall, even based on a 40 percent conversion factor, the cost to the Federal Government for retirement of Federal employees is reduced by approximately $9 billion over a 5 year period.

Now, you are going to have additional cost savings by virtue of this system due to the fact that we have a built-in COLA. The thrift plan is an encouragement to save for your own retirement and the the real savings will take place in the out years for most entities. It goes beyond the $9 billion.

Have you computed what your out year savings are as far as the Federal Employees Retirement System thrift plan is concerned?

Mr. Coppie. There is a continuing escalation of our cost as a result of the fact that this is a fully funded system from the time that we entered it.

Senator Stevens. But the thrift plan is the third tier of that retirement system and it involves a contribution by the employer.

Mr. Coppie. That is factored into our costs.

Senator Stevens. But by virtue of making that contribution, having that money invested in the private sector, there is then a reduced demand for COLA's in the future because they have a thrift plan which escalates with the inflation rate and with general expansion of the economy.

Mr. Coppie. I understand the premise of your statement, however, the Postal Service does not develop actuarial projections that determine how the retirement system is funded. These are developed by OPM.

Senator Stevens. I have no other questions on the retirement plan. Thank you.

Senator Pryor. Fine. One final question on this. When will the Postal Service know exactly how many Postal employees are going to opt for the new program? What is the deadline?

Mr. Tisch. It closes on December 31, 1987. Give us 30 days to put the figures together, and we will know how many employees have changed over to the new plan. I would assume by February 1, 1988.

Senator Pryor. Are you going to make a rate increase request before that time?

Mr. Tisch. Yes, we are, sir.

Senator Pryor. How can you make the request if you do not know how much cost we are trying to overcome?

Mr. Tisch. We are basing it on OMB figures and we concur with that 40 percent figure. That is why we have the outside consultant, to give us his opinion in that 40 percent is the right figure.

We are trying everything possible to be sure that we come up with the right figure that we put in our rate case.

Senator Pryor. How long does the Board have to either grant or to deny this request?

Mr. Tisch. The Postal Rate Commission?

Senator Pryor. Yes.

Mr. Tisch. Ten months.

Senator Pryor. It seems strange to me that you would make the request before you knew how much money you need. Does that seem strange to you, Senator Stevens?

Senator Stevens. Are you intending to present this to your Board meeting in Dallas?

Mr. Tisch. Yes, we do, sir.

Senator Stevens. I think that will explain the circumstance. They have to get the approval of the Board before they go to the Rate Commission, and I think that the time factors involved would require it.

Mr. Tisch. I think that Deputy Postmaster General Coughlin could add something to my statement.

Mr. Coughlin. The rate making process, is by design, one, looking at prospective costs. A test year out in the future, usually 12 to 18 months out, necessarily requires us to make some assumptions about what costs are going to be: what our labor costs are going to be, what the retirement system costs are going to be, what the costs of fuel are going to be.

Part of the process in one of the areas is the particular expertise of the Postal Rate Commission in evaluating these projected costs.

There is no question they have looked at them very carefully in past cases. We do, though, have to make some assumptions about those future costs.

Mr. Tisch. I believe they will have the opportunity to know the exact figure of the conversion to FERS before they recommend to the Board of Governors the rate increase amounts.

Senator Stevens. Mr. Chairman, I always like to compare the postage stamp to the cost of an ice cream cone. Because I remember when they were both a nickel.

And now I have a test when I am in an airport. I paid a $1.25 for my last ice cream cone, Mr. Tisch. You are not going that high with the postage stamp rate. [Laughter.]

Mr. TISCH. It is only 22 cents a stamp. You can see how inexpensive we are.

Senator STEVENS. It is a bargain even if you go up.

Senator PRYOR. I would like to shift gears for a moment. Any agency under the jurisdiction of this Subcommittee, as long as I have the opportunity to Chair it, when those agencies hire outside consultants and outside attorneys, I am going to be very curious as to why and whether they are earning their money.

I think we have abused this whole situation for the last decade. In fact, I do not know that if it is getting any better. I think it is getting worse.

Last year the Postal Service restructured both its headquarters and field organizations throughout the United States. The jury is out on whether these changes will result in better or more efficient Postal Service.

The Postal Service, as I understand, has just hired a consultant by the name of John Garrity to evaluate the implementation of all of these reorganization plans.

Now, my question is this, is this the same consultant who has also been engaged to do this evaluation, the same one who was hired last year to develop these plans?

In other words, have you asked a consultant to come in and evaluate the plans that he, himself, developed?

Mr. TISCH. That is correct, sir.

Senator PRYOR. Do you not see this as a total conflict of interest?

Mr. TISCH. No, we do not, sir. Actually, John Garrity has been hired to report to the Corporate Executive Committee on the program that was put in last year.

Mr. Garrity has a contract with us not to exceed $118,000 for his time and expenses, to see that what we put into effect last year is going right because we believe that we have the right program for the Postal Service.

I just want to say for the record that prior to my coming on board on August 17th, I did not know Mr. Garrity. I never heard the name before and, obviously, I did not employ him. He was employed under the former Postmaster General, Mr. Albert Casey.

And for the record, I may say, that I have had the opportunity of working with outside consultants and reorganizations in my private career and in my personal opinion I think Mr. Garrity, with the help of many people at the Postal Service and with the backing of Postmaster General Casey, did an outstanding job in the reorganization of the Postal Service as of June 7, 1986.

Senator PRYOR. Well, with all due respect, I think Mr. Garrity should have done an outstanding job. It is my understanding he was paid $900 for each day that he worked for the Postal Service. Is that correct?

Mr. TISCH. That is correct, sir.

Senator PRYOR. How can you justify a $900 a day consultant for the U.S. Postal Service?

Mr. TISCH. I assume it is justified on the basis that it was only one person that we paid $900 a day.

Senator Pryor. Well, I am glad there was only one. [Laughter.]

Mr. Tisch. In many private organizations, working with many of the large consulting firms, we get "loaded in" with consultants at that price.

But in this case with just Mr. Garrity, supplemented by the capability of the executives and the staff of the United States Postal Service.

Senator Pryor. What was the total amount of the contract for the reorganization effort?

Mr. Tisch. His total contract was, in personal services compensation, $156,600, and expenses were $14,203; exactly $170,803 for the work that he did at the United States Postal Service.

Senator Pryor. Was this a consulting contract that was awarded through competition?

Mr. Tisch. I do not believe so, sir. I believe he was brought in without competition by former Postmaster Casey.

Senator Pryor. And now he has been rehired by the Postal Service to evaluate the reorganization plan. Is this correct?

Mr. Tisch. That is correct.

Senator Pryor. His own plan?

Mr. Tisch. Well, it is not to evaluate it. It is what we call a 5,000 mile check on it to see if the plan is correct and to see whether we have implemented and put it into effect in the right organizational structure.

Mr. Garrity is on contract to us, as I stated—no more than $117,900 and that includes Dr. Mary Evans, who will assist him. But, in no way will we be expending more than $117,900.

Senator Pryor. Let us talk about another contract.

Mr. Tisch. Yes, sir.

Senator Pryor. At one of the Board meetings last year, there was an agenda item involving some type of arrangement with the A.D. Little consulting firm. Are you familiar with this contract?

Mr. Tisch. I am to some extent, sir.

Senator Pryor. The Board got involved in this particular contract because this was a contract in excess of $10 million. What can you tell me about the arrangement with A.D. Little? Does it involve a multi-year contract for specific work products? What is the amount of this contract and the services to be performed?

Mr. Tisch. The A.D. Little contract was awarded competitively in April, 1983. It was a 3 year contract with 5 one year renewal options, renewable only by the United States Postal Service. For the record, we have exercised two of these options.

Under the contract, A.D. Little manages a technology resource center. It is composed of 50 professionals who are dedicated to tasks assigned to them by the United States Postal Service procurement officer.

The tasks are all in the areas of operations, research and systems analysis, covering the long-range needs of the Postal Service.

The contract features an unusually low overhead for virtually all the expenses, including management facilities, rental and telephone service which are charged directly to the contract.

The contract also features an award fee, the amount of which is determined semi-annually, dependent on the Postal Service's unilateral evaluation of the quality of A.D. Little's work.

Instead of going out and hiring people, the Postal Service, in 1983, decided to hire A.D. Little. At this stage, they have been with us 5 years and their work is constantly being reviewed.

In addition to being reviewed by the Postal Service, when I came into service in September, I brought in as an assistant, the former Vice President of Data Processing and Internal Management for AT&T, Mr. Tom Barry.

Mr. Barry reports directly to me and he is spending a good deal of time on the A.D. Little contract.

Senator Pryor. He basically monitors this contract on a daily basis or a weekly basis?

Mr. Tisch. On a weekly basis. Of course, the contract is also monitored by the very capable person in charge of Information Resource Management [IRM] for the Postal Service and we continue to look at the A.D. Little contract. We have to study whether it should continue or whether we should hire our own people to work directly for the Postal Service to do the same type of work.

Senator Pryor. I thought that within the Postal Service there was an Inspection Service which audited programs just as Mr. Little's firm does. It looks as though we have a duplication here.

Mr. Tisch. No. The Inspection Service monitors and they act as internal auditors. I do not know if they have to date, but at some point they will look at the contract to see that we have received value for the work that was produced by the A.D. Little Company.

Senator Stevens. This reorganization plan, was there an estimate on what it should save the Postal Service if it is properly implemented?

Mr. Tisch. I do not believe that it was originally put in to save a substantial amount of money. It was originally put in to improve the service and to make a better organization and a better operation of the United States Postal Service.

What it did, in effect, was bring the responsibility of the operation of the day to day routine of the Postal Service down to a lower level and resulted in operating decisions being made at the local level.

We now have 74 division managers and hopefully 74 very capable people who are making decisions in the operation of the Postal Service.

In addition, we have done away with one level of management and we now find it easier to work directly with the division managers to get work accomplished for the Postal Service.

Senator Stevens. Are those the 5 regional offices you are talking about?

Mr. Tisch. No, they are still there. We have 5 regional Postmasters General and we have 74 division offices. We used to have district offices and that level has been done away with.

Senator Stevens. There was no change in the regional offices?

Mr. Tisch. There have been changes in the operation of the regional offices.

Senator Stevens. No change in the number?

Mr. Tisch. No, there are still five regions, however, they were downsized. They are still headed by the five regional Postmasters General. Also, changed were the reporting responsibilities of the field to the regional offices. And decisionmaking has been moved down further to the 74 division managers.

Senator **Stevens**. But will it have an impact on employment? I am informed that since 1984, the Postal Service has added 80,000 additional employees.

Mr. **Tisch**. The additions were for two reasons, sir. One was a substantial reduction in overtime, we dropped our overtime from 9 percent of payroll to 5.2 percent in 1986, and second, from the addition of people at a lower wage that was set forth in the Kerr Arbitration in December of 1984.

I think it worked very well, because in fiscal year 1986 over 1985, our average straight time hourly rate went up only eight cents. I think we are on the right track. We wanted to eliminate the overtime, which is costly.

We have two kinds of overtime in the Postal Service. One is time and a half and the other is penalty overtime, which is paid at double time. We are continuing to bring down both kinds of overtime and we will continue to work on seeing that we do not have any excess employees on the payroll of the USPS.

Senator **Stevens**. Will the reorganization affect employment?

Mr. **Tisch**. No, sir, not dramatically. I see changes in some of the positions, but it does not affect the employment greatly.

Senator **Stevens**. And Mr. Garrity's contract is that for a specified period of time?

Mr. **Tisch**. That is based on the same cost of $900 per day and expenses; but it can be used—he can do this work any time between now and June 30th. But in no case is it going to be over $117,900.

Senator **Stevens**. The whole reorganization was for improved service and improved management techniques. It did not have anything to with the projected savings or number of employees. Is that right?

Mr. **Tisch**. That is generally it, yes, sir.

Senator **Stevens**. Thank you, Mr. Chairman.

Senator **Pryor**. Let us go back to the A.D. Little contract. What is the amount of the contract for those services?

Mr. **Tisch**. I believe the Postal Service so far has spent about $35 million on the A.D. Little Company.

Senator **Pryor**. What is the period of time covered by the $35 million and when does that contract expire?

Mr. **Tisch**. It started in April of 1983 and I guess the next expiration is April of 1988. And the correct figure, sir, is $38,370,000.

Senator **Pryor**. By 1988 how much will it cost—or is that the maximum that A.D. Little can charge the Postal Service?

Mr. **Tisch**. That is right, sir, up to and including April of 1988.

Senator **Pryor**. Is it based on $900 a day?

Mr. **Tisch**. I do not believe so.

Senator **Pryor**. It is just a lump figure?

Mr. **Tisch**. It is a detailed contract containing specified tasks; we would be glad to submit the information on that contract.

Senator **Pryor**. I would like to see the details of this and my next question, I may have asked it, was this contract competitively bid?

Mr. TISCH. My understanding is that it was competitively bid back in 1983.

Senator PRYOR. Are you going to justify hiring a consulting firm at this cost?

Mr. TISCH. Am I going to justify it?

Senator PRYOR. Is this going to pay off for the ratepayer, the person who is going to have to bear the increase of this new stamp from 22 to 26 cents?

Mr. COUGHLIN. Senator, if I could, I believe it was a competitively bid contract. The A.D. Little organization essentially is doing, under contract to the Postal Service, a good deal of what we used to do internally called applied research and development.

The tasks they are working on under this contract are very much tied into the kinds of problems we think we are going to need solved in the future.

They are looking at things like advanced optics and optical techniques, things that could pay off for the Postal Service in the mid-1990's.

Senator PRYOR. You do not have that capability in-house at this time. Is that what you are saying?

Mr. COUGHLIN. That is right. We went through a very extensive review of the in-house versus, pardon the expression, out-house option in 1981. [Laughter.]

Mr. COUGHLIN. It was decided at that point that the best approach was to have a small cadre of people internally. That is what we call our Technology Resource Department, managing an external contract.

A.D. Little is not the only contractor we use. They are the major contractor. We do some minor contracts with others, in the academic area.

Senator PRYOR. I think it would be appropriate for the record, and you could supply this later, if you would, provide the number of consulting contracts that you have that are over $500,000 a year. Please provide the name of the contract, the services to be performed and basically a general evaluation of where those contracts are at this stage.

Mr. COUGHLIN. Yes, sir.

[The following is a listing of current Postal Service technology research contracts in excess of $500,000:]

Current Postal Service Technology
Research Contracts $500,000 and Over
April 1987

Contract	$ Amount	Contractor	Purpose	Status
85-M-2012	971,891	ElectroCom Automation	Develop improved mail stacker/transport	Currently undergoing live-mail testing
85-M-2117	785,000	Chamberlain Mfg Corp		
85-M-2149	719,000	Booz, Allen & Hamilton		
85-M-2407	553,687	Elsag, Inc. (Italy)	Develop improved mail distribution system to reduce carrier time in post office	Concept evaluation testing to start soon
85-M-2408	731,951	Unisys, Inc.		
85-M-2410	620,100	ElectroCom Automation		
85-M-3349	528,000	State U. of New York	Develop improved machine address block location capability	Concept evaluation testing underway
86-M-0487	737,557	Ektron Corp		
86-M-0489	524,674	Elsag, Inc. (Italy)		
86-M-0490	665,935	Honeywell, Inc.		
86-M-0491	652,541	SRI International		
86-M-3075	1,153,409	Honeywell, Inc.	Develop remote video display technology	Concept development
86-M-3311	673,238	Unisys, Inc.		
86-M-3787	629,014	CGA-HBS (France)	Develop improved capability to read handwritten ZIP Codes	Concept development
86-M-3988	687,871	ERIM		
86-M-3990	589,982	State U. of New York		
87-M-0196	748,746	ElectroCom Automation		
86-M-1415	800,795	RCA Corporation	Develop computer-vision acquisition of mailpiece size and shape for machine sorting	Concept development
86-M-1416	836,250	Battelle Institute		
86-M-1417	1,099,865	SRI International		
86-M-3991	996,343	RCA Corporation	Develop computer ability to interpret mailpiece size and shape data	Concept development
86-M-3992	953,015	Purdue University		
87-M-0194	900,410	SRI International		
87-M-0195	553,496	U. of Pennsylvania		
87-M-1090	999,870	Chamberlain Mfg Corp	Develop machine capability for intelligent singulation of mail that can not be machine processed	Concept development
87-M-1091	978,689	CGA-HBS (France)		
87-M-1798	999,961	RCA Corporation		
87-M-1092	833,793	RCA Corporation	Develop knowledge-based maintenance system for postal equipment	Concept development
87-M-1093	876,528	Honeywell, Inc.		
87-M-1094	792,828	Unisys, Inc.		

Senator **Pryor**. Also, I would like to discuss the contract with the Arthur Young Company. The Arthur Young Company completed a study in December 1985, which, I believe, concerned the Postal Service's procurement program. Next to the Department of Defense, the Postal Service would probably be the number one buyer of goods and materials, merchandise, et cetera.

Now, is this the same Arthur Young that certified your annual report?

Mr. **Tisch**. That is correct.

Senator **Pryor**. How much did this 6-volume procurement study cost the Postal Service?

Mr. **Tisch**. $765,071.

Senator **Pryor**. That was $765,071 paid to the Arthur Young Company. Was this a competitive bid?

Mr. **Tisch**. Would you know, Mr. Coppie?

Mr. **Coppie**. I do not know.

Mr. **Tisch**. Mr. Hughes?

Mr. **Hughes**. I do not know.

Mr. **Tisch**. I do not know, sir.

Senator **Pryor**. This is 6 volumes relative to procurement. Now, what is the bottom line on this study?

Mr. **Coughlin**. The contract with the Arthur Young Company to look at the procurement process was, as I recall, a follow up to a major internal audit that had been conducted on the procurement process by the Postal Inspection Service in the 1983–1984 timeframe.

And as a result of that internal audit, the people who were running the procurement department at that time decided that they needed some additional outside assistance in implementing the kinds of recommendations that were made and to look at some additional options.

I think that was the purpose of the contract and a good many of those recommendations that came out are now in the process of implementation or have been implemented.

Senator **Stevens**. In terms of the procurement concept that was involved here, were those recommendations for changes in the procurement process that were made by the consultants?

Mr. **Coughlin**. My recollection was that it had to do more with the way the process was managed rather than the process itself. But I am just not certain of that.

Senator **Stevens**. You are running about a $30 billion a year business. Is that right?

Mr. **Tisch**. Yes, sir.

Senator **Stevens**. And how much do you think you spent on consultants overall? Do you have that figure?

Mr. **Tisch**. Per year?

Senator **Stevens**. Yes.

Mr. **Tisch**. We could make it available to you, sir. If I had to guess, I would say about $50–$60 million. Mr. Coppie says that it is approximately $34 million.

Senator **Pryor**. If I am not wrong, Senator Stevens, I think we are spending about $10 million a day throughout the whole government for consultants.

Senator **Stevens**. I agree with you. Not that I am not concerned that this might get out of hand, but this is a $30 billion operation. If they are spending that kind of money for consultants in order to make certain that the function within government is working right, I think it is probably the lowest in government.

If you look at the Department of Agriculture or even some of the Commerce Department operations, I think, relative to their overall budget, they are spending at least that, considerably more in Defense.

Not that I am encouraging you to spend more than is necessary, but I believe that the out-house operation is still the best place. That is the place where people can get wood shedded easiest.

When it comes right down to it, if you have an in-house operation, it is inclined to be protective of the system. Whereas those people who are under contract have no ongoing problem about that and they finish their job and give you the recommendations.

And I think it is best way to do it—is to get a system like this checked periodically by consultants. And those consultants of necessity have to charge more money than if they were working for the Government full-time for their whole life.

I really think it is a probably a very cost effective thing to get some checks like this and I do not want to take issue with the Chairman, but I do think that this type of contract is a good thing to have done for an entity like the Postal Service.

Get an outside check, get some recommendations and then find out if they have been implemented. I hope it is not going to be an every year contract, though. I am not sure I would have the same recommendation if it was repeated annually.

Mr. **Tisch**. Just for the record, sir, Arthur Young, at the present time, does not have any consulting contracts with the United States Postal Service.

And also for the record, I am not a great believer in spending goodly amounts of money for outside consultants. As Senator Stevens says we should use them to check on us now and then, but the work that has to be done and should be done, should basically be done by the Postal Service employees who I think are very capable of accomplishing all that work.

Senator **Pryor**. I would like to associate myself with what Senator Stevens said about consultants. I think from time to time we do need outside forces to come in and see if we are doing our job properly or to see how we might improve the efficiency of our positions.

I also think that it is the duty and the obligation of this Committee, as an oversight Committee, to exercise periodic oversight over how these dollars are being expended, to see if there is need for these consultants and all of this outside help. That is why I have become so concerned about consultants in the past.

Senator Sasser of Tennessee is a member of this Committee, and we welcome Senator Sasser's statement and/or questions.

OPENING STATEMENT OF SENATOR SASSER

Senator **Sasser**. Well, thank you very much, Mr. Chairman. It is a pleasure for me to be here with you today and I welcome the distinguished members of the Postal Service who are testifying here today. This is the first time I have had the occasion to see Mr. Tisch and I welcome him before the Committee today.

Some time ago, I became interested in an exercise that the Postal Inspection Service carried out known as the National Procurement Audit that took place during 1985.

Now, I am told that the National Procurement Audit resulted in a 6-volume report that consumed 44,000 work hours and cost nearly a million and a half dollars. Is that a correct assessment?

Mr. **Coughlin**. The amount of money is approximately accurate, yes, it is.

Senator **Sasser**. Well, one thing that concerned me was that contemporaneous with that study, that consumed 44,000 work hours and nearly a million and a half dollars, there was another costly procurement system study done by the Arthur Young organization.

Why was it necessary to have the Arthur Young organization doing the same study contemporaneous with the Inspection Service?

Mr. **Coughlin**. Senator, I do not think they were actually running concurrently. The Postal Inspection Service audit—this is the subject we were discussing just a moment ago—was conducted, as I recall, in the 1983-1984 time period.

And as its results became known, the people who were managing the procurement function at that time decided they needed some additional assistance in the form of a consulting service, in this case provided by the Arthur Young Company.

Senator **Sasser**. Do you recall what the amount of the Arthur Young contract was?

Mr. **Coughlin**. I believe it was in the neighborhood of $600,000.

Mr. **Tisch**. Exactly $765,071, sir.

Mr. **Coughlin**. The Arthur Young contract was set up by those same procurement people as a follow up and to get some assistance from outside people with some expertise in this area to help them implement the recommendations, first, of the Postal Inspection Service; and, secondly, of the additional recommendations that Arthur Young themselves came up with in terms of how we manage the process.

Senator **Sasser**. A Postal Inspection Service report came in on July of 1985 and the final report of Arthur Young was December 16, 1985.

Mr. **Coughlin**. Yes, sir. What happens is that when the Postal Inspection Service is doing an audit, it is working first of all with the organization it is auditing.

It does not wait until it produces a 6 volume report or a 6 page report to point out findings. It regularly discusses, during the course of an audit, the results of that audit and the findings.

It is management's responsibility to react to those findings as the Postal Inspection Service brings them to their attention.

So, it is very possible that the Postal Inspection Service report in its 6 volume form did not come out until the middle of 1985. But the fact was that the recommendations and the findings had been known for months, if not a year in advance in some cases.

Senator **Sasser**. Well, about the time the Postal Inspection Service study was getting off the ground, I became very interested, along with Congressman English, in a 50 percent cost overrun and other problems associated with the procurement of the M-36 Facer-Canceller.

Now, GAO auditors and mid-level postal inspectors all raised the issue with senior level inspectors involved in this National Procurement Audit that we have just discussed.

But the audit report that was issued was devoid of any mention of this whole M-36 matter. And I am just curious as to how we could have a $15 million contract here for these M-35 Facer-Cancelers, that would have a $7 million overrun, that was settled outside of regular channels, according to my information, and there were even allegations made that one of the RFP's had been rigged. How could this escape mention in the Postal Inspection Service report?

Mr. **Coughlin**. Senator, I cannot comment on why it would not have been addressed in the report. I can tell you that a settlement was not reached outside of channels.

Senior management was aware of what was happening and participated to a large degree in those discussions. While the details are a little fuzzy for me, my recollection is that what happened was we had a claim from a contractor. I think that original claim was for $11 million.

Through the claim and negotiation process, that was worked down to $7 million. This was not handled outside of channels.

I do not know why it was not mentioned in the Postal Inspection Service report.

Senator **Sasser**. Why would we have a $15 million contract with an $11 million cost overrun? That certainly sounds extravagant, even if you did work it down to $7 million. That appears to me to be a very healthy overrun, one that would do justice to some of the Department of Defense programs.

Mr. **Coughlin**. As I recall, and again the details of this are a little bit fuzzy, I believe it had to do with our providing some faulty technical data to the contractor. We could probably provide you some additional information on that if you desire.

Senator **Sasser**. I have been interested in this for some time and I would like to get some additional information. If you have any additional information that you could supply for the record, I think that would be good if you did so.

Mr. **Coughlin**. Yes, sir.

[The information referred to follows:]

The $7 million was not a cost overrun, but the settlement of a claim by E-Systems against the Postal Service to recover losses incurred by defective technical data provided by the Postal Service. The claim was for more than $11 million and was reduced to $7 million in negotiations. The claim was not settled out of channels. Postal management was aware of the claim, the negotiations to settle the claim, and the settlement arrived at in the negotiations.

Senator **Sasser**. Mr. Tisch, let me direct a question to you, if I may. You are new to the Postal Service scene and hopefully bringing in some fresh new ideas, a fresh perspective, new perceptions.

There has been a great deal of discussion about the need for an Inspector General at the Postal Service, an independent Inspector General. What are you views on this matter?

Mr. **Tisch**. I do not believe that the Postal Service needs an Inspector General as such. We have the Postal Inspection Service and they are responsible for the same functions assigned to Inspectors

General in most other agencies. The Chief Inspector reports directly to me. The Postal Inspection Service, as you know, is a well-respected member of the Federal law enforcement community.

In our opinion, they are very well staffed and equipped to carry out their important mission. So, I do not believe that we need an Inspector General at the United States Postal Service.

Senator SASSER. Now, as you know, the present Chief Postal Inspector—is himself a part of top management. In other words, rather than being appointed independently by the President and reporting directly to somebody else other than the top management officials in the Postal Service, your present Chief Postal Inspector reports to management.

There is some question about whether or not he or she will become to some extent part of the management team and will lose their independence—be coopted, either consciously or subconsciously by being part of the management.

The Inspector General situation seems to have served very well in other Federal agencies. And I was just wondering if there was any particular reason why you would think—or any of your colleagues that you might wish to refer to—that the independent Inspector General might not serve the Postal Service well, as well as it does, say, at the Department of Defense or other Federal agencies.

Mr. TISCH. In my opinion, I think we are covered very well with the Postal Inspection Service. I do not believe the other agencies have the capability and the long standing experience as we do with the Postal Inspection Service.

And exercising their independence, I think our record is fairly clear on it. As you may know, it was the Postal Inspection Service that brought forward the Peter Voss case. At that time, Peter Voss was a Governor of the United States Postal Service.

In my association over the last seven months with the Postal Service and the Postal Inspection Service, I believe that the Chief Inspector of the Postal Inspection Service is as independent, as my understanding is of it, as Inspectors General in other agencies.

Senator SASSER. Thank you, Mr. Tisch. I have no further questions, Mr. Chairman. Thank you.

Senator PRYOR. Senator Sasser, you missed the first part of our discussion today and that was about the proposed increase for First Class mailing from 22 to 26 cents.

Senator SASSER. Mr. Chairman, I would not have missed it, but I must tell you I was down on the Energy Committee dealing with some problems down there. I have never been able to solve the problem of all these Committees in the Senate meeting at the same time. Otherwise I would have been here.

Senator PRYOR. I just wonder, Senator Sasser, if perhaps this weekend you went down to your State of Tennessee, as I went to Arkansas, and heard the same things I heard. I did not hear a lot of support for a rate increase. I do not know if you did or not.

Senator SASSER. I heard about as much support for the increase as I did the last proposal to move the ZIP code out about 11 or 12 digits. [Laughter.]

Senator PRYOR. May I address a question to Mr. Hughes. Mr. Hughes, you are Deputy General Counsel.

Mr. HUGHES. That is right.

Senator PRYOR. Are you in charge of all the litigation, all the lawyers, and all the legal efforts of the Postal Service?

Mr. HUGHES. I help Mr. Cox in that function, yes, sir. Mr. Cox is the General Counsel.

Mr. TISCH. Mr. Cox is ill today otherwise he was looking forward to being here.

Senator PRYOR. Mr. Hughes, how many attorneys do you currently have on board in the United States Postal Service?

Mr. HUGHES. Nationwide we have 141 attorneys.

Senator PRYOR. I want to go carefully through this. How many do you have in the Washington area?

Mr. HUGHES. Approximately 95.

Senator PRYOR. Ninety-five of those attorneys would be here in the District of Columbia or thereabouts.

Mr. HUGHES. Yes, sir.

Senator PRYOR. Can you tell me the approximate the payroll for the legal division of the United States Postal Service?

Mr. HUGHES. Well, our total expenses, which, of course, would go beyond payroll, are $14,700,000.

Senator PRYOR. Well, let us just say roughly $15 million a year. Why is it, with 141 lawyers, 95 of them right here, just a phone call away, why is it that we have to hire outside counsel for the United States Postal Service?

Mr. HUGHES. We do not usually do so. On occasion, the law department or the Postal Service through its law department has retained counsel when an area is outside our usual area of practice. For instance, if a tax law question comes up, we do not have attorneys in-house with——

Senator PRYOR. Well, is that why the Dewey-Ballentine law firm was hired? Was that because of a tax law question?

Mr. HUGHES. No, sir. The Dewey-Ballentine firm was retained by the Board of Governors and Mr. Califano, a partner in that firm, serves as counsel to the Board.

Senator PRYOR. What is the fee each year of this firm?

Mr. HUGHES. It is varied, sir, but in recent years it has run between $500,000 and $600,000 per year.

Senator PRYOR. That is about $10,000 a week. How many days have been spent in litigation in court to earn this fee?

Mr. HUGHES. Mr. Califano and the Dewey-Ballentine firm have represented—offhand, I can recall two cases in which Mr. Califano or the Dewey-Ballentine firm have appeared on behalf of the Board of Governors.

Senator PRYOR. In actual litigation in court?

Mr. HUGHES. Yes.

Senator PRYOR. How many days did that proceeding take in court?

Mr. HUGHES. I do not know. I do not have the figures with me.

Senator PRYOR. And when they are not in court, and there have been two cases that you can recall, what sort of legal services do they render to the Postal Service and to the Board.

Mr. HUGHES. Their services run primarily to the Board and they provide advice, counsel, and drafting services. Mr. Califano or another partner will customarily attend the monthly meetings of the Board of Governors and provide drafting services to the Governors.

Senator **PRYOR**. What do they draft?

Mr. **HUGHES**. Occasionally Board resolutions, for instance. They will assist in the drafting of decisions of the Governors in rate and classification matters.

Senator **PRYOR**. Is that worth $10,000 a week?

Mr. **HUGHES**. Well, we are proud of the work we do in-house, sir, and we would, I suppose, like an opportunity to do more of that work.

We have worked well with the Dewey-Ballentine firm and I guess you have to say it is up to our clients whether they are getting their money's worth.

Senator **PRYOR**. Mr. Hughes, I bet you in all this battery of lawyers, that you have included some lawyers who are graduates of the Harvard Law School.

Mr. **HUGHES**. We do, indeed, sir.

Senator **PRYOR**. And Yale and Columbia and all of the great law schools of America.

Mr. **HUGHES**. Yes, we do.

Senator **PRYOR**. Well, why can they not do this work? Why do we have to have $600,000 a year paid to an outside law firm?

Mr. **TISCH**. May I add for the record that the Dewey-Ballentine firm and their predecessor firm was hired by the Board of Governors not by the management of the United States Postal Service. I think it was some 6 or 7 years ago, in 1980.

We can assure you, sir, that during the Fiscal Year ending September 30, 1987, that the fees from outside law firms to the Board of Governors will be less than half what they were in former years.

If I had to guess, there will be no more than $200,000 this year as the management of the Postal Service and the legal department under Mr. Cox and Mr. Hughes—is very strongly working to assume most, if not all, 90 percent—99 percent of the work that was formerly done by Dewey-Ballentine.

Senator **PRYOR**. It is awful hard for us to go back to our respective states from time to time and to say, "Well, it looks like you are going to have to pay an 18 percent increase in postage." You have 141 lawyers working for you, and yet, you are paying a law firm $500,000–$600,000 a year. That is very hard for us to deal with.

The people back home still think that we run the Post Office in the Congress. We have nothing to do with the Post Office. In fact, I remember, Senator Stevens, I voted in the early 1970's to take the Post Office out of politics. I guess that was to get us out of the heat of having to name rural mail carriers, local postmasters, and whatever.

I do not know whether that was a good decision or a bad decision, but there are a lot of people today who still think that we have control over the Post Office and the Postal Service and we do not.

In fact, I am afraid to call over there most of the time. I am afraid that I will ask the wrong question and get someone disqualified or hurt more than I would help.

I am concerned about fees and relationships such as this, and I do not think it sets a good example. Senator Stevens?

Senator STEVENS. I noticed you testified in the House, Mr. Postmaster General, in favor of fully funding Revenue Forgone. Have you looked at any solution, permanent solution, to the problem of Revenue Forgone? For instance, there has been suggested a concept of separate sub-class for preferred ratepayers.

I made a suggestion of trying to find some way to take care of some of these problems last year. Have you looked into that now?

Mr. TISCH. I think the best one to answer that, sir, would be Mr. Coppie who works directly on rates and classification and I think can give you a very good answer on that, sir.

Senator STEVENS. Thank you.

Mr. COPPIE. Senator Stevens, I would like to make two points: First, the request that we made for Fiscal Year 1988 is consistent with the current statute. That is the basis of the request.

Senator STEVENS. Well, every year when the appropriations bill comes up, we have a battle over whether or not we are going to add to it. Will there be a deficit that is required to have an increase through the appropriations process if the Postmaster General's recommendations are followed?

Mr. COPPIE. I do not believe so. And there are some options that are open to the Congress. It can maintain the appropriation based on current rates. That will bring the Postal Service's request down by about $150 million.

I would also point out to you that——

Senator STEVENS. You actually asked to fully fund a Step 16?

Mr. COPPIE. Step 16. That is the requirement of the current statute. But you can reduce that back to current rates, which is where we are currently and what the current appropriation is based on and that will bring it down by about $150 million, to about $550 million for fiscal year 1988.

I would also point out to you that there is a change in the law that has been authorized by the Congress to take effect in Fiscal Year 1989 or at the time of the next rate case and that is going to reduce the Revenue Forgone by about an additional $260 million in fiscal year 1989.

Senator STEVENS. Mr. Postmaster General, what is going to be your standard for delivery for Third Class mail now? We have had some comment come into my office about that and whether the Postal Service is really complying with the standards you have announced in the past.

Mr. TISCH. Well, our standards are 10 days for Third Class mail. And my understanding is that we are making that standard about 50 percent of the time.

Senator STEVENS. Fifty percent?

Mr. TISCH. Yes, sir.

Senator STEVENS. Is that sufficient compliance to those standards?

Mr. TISCH. I do not believe so, sir.

Senator STEVENS. They still pay a considerable portion of the revenue for the Postal Service do they not?

Mr. TISCH. That is correct, sir.

Senator STEVENS. What does that break down to now? Do any of you have it? How much is coming in from the Third Class rate payers?

Mr. TISCH. Twenty percent of mail revenue, roughly $5.6 billion.

Senator STEVENS. This folder shows 37.4 percent. Is there some program under way to improve delivery compliance as far as the Third Class mail is concerned?

Mr. COPPIE. Deputy Postmaster Coughlin could give us the best answer on that, sir.

Mr. COUGHLIN. Yes, sir. There very definitely is. It is really a five part thing. First of all, in terms of the operating system itself and how we process mail, there are three things we are doing now and have been doing with a great deal of intensity since last spring.

First of all, we are managing much better the inventory of Third Class mail that we have on hand at our major facilities—Bulk Mail Centers and general mail facilities—and the volumes on hand have dropped considerably; in fact, more than half of what they have been the previous year.

Secondly, we have begun to look carefully at the way we are color coding this mail in the processing system so that we can keep it in sequence and work it in sequence.

And, thirdly, we are looking very carefully at the way we are handling "Undeliverable As Addressed" mail to make sure that it actually is undeliverable as addressed.

Now, we are also focusing some attention on our employees and their training and their attitudes toward this particular category of mail.

About a month ago, I had published in the "Postal Bulletin," a letter over my signature addressed to our employees, talking about the importance of Third Class mail to the Postal Service and how important it was to treat it with the kind of service that those people deserve.

A fourth thing is that—there will also be some training for employees on the handling of Third Class mail in that particular area.

The fifth thing is an effort to work with Third Class mailers themselves—some things that they might do to help improve their service. Among those, we are taking a look at the validity and the accuracy of their address lists.

Almost anybody's address list can get out of date very quickly. And we work closely with the mailers on that particular area.

We have also engaged in a lot of joint visits with Third Class mailers to postal facilities, so that we have a joint understanding of what is happening here. We are working very conscientiously on this subject.

Senator STEVENS. Third Class still is not utilizing the ZIP+4 concept is it?

Mr. COUGHLIN. No, it is not.

Senator STEVENS. Why not?

Mr. COUGHLIN. Because we have not asked mailers to use it yet. There are a variety of concerns that have been expressed by Third Class mailers about how we might apply the ZIP+4 to the Third Class category of mail.

We have not made final decisions on that, but we continue to talk to Third Class mailers and to get their input on how we might best interface the ZIP+4 system with them.

Senator STEVENS. Well, now, my good friend, Bob Opinski in Alaska, who is the division manager up there, went to our new Governor and pointed out to him how the State of Alaska could save a half to 1 million by totally incorporating ZIP+4 into the State Government mailing.

And, from what I understand, he is right. Do you encourage all State Governments to do that? Have you taught them to utilize ZIP+4?

Mr. COUGHLIN. We have been trying for several years. We try to have every one be in a situation like Bob Opinski where we actually have the Postmaster out there dealing with the State Government.

We also do have account representatives in all 50 State Capitals working with the State Governments on all mailing problems, but particularly on things like pre-sort and ZIP+4.

Senator STEVENS. Well, is that not quite similar to Third Class? That is where I am going. And if the State Government can save money, why would the Third Class mailers not save money?

Mr. COUGHLIN. It depends on how we can process it. The processing system for Third Class is somewhat different than the processing system for First Class. The discounts that are available for First Class today are based on savings that occur in the First Class system.

Now, we think there is potential in the Third Class system, on the letter size mail particularly. But you have to remember only about half of Third Class mail is letter size. Whereas in the First Class system, almost 90 percent of it is letter sized.

Senator STEVENS. Well, First Class is 51.7 percent on your chart here and Third Class is 37.4 percent. If you can handle the 51.7 percent with ZIP+4, I do not quite understand why you cannot take care of the Third Class with ZIP+4.

Mr. COUGHLIN. Those two numbers are percentages related to the total mail volume. But you have to break down that volume into the type of mail it is.

Within First Class, within that 51 percent you mentioned, over 90 percent of that is letter size mail. We have equipment out there that can handle that mail in the system now and can process it and reduce our costs by utilizing the ZIP+4 code.

Third Class mail, which is 37 percent of total mail volume, is only about half letter size. So, there is a considerable difference in the way those two categories are made up.

Senator STEVENS. But you are handling that half the same way you are handling the other half of Third Class rather than handling it as First Class.

Mr. COUGHLIN. Not entirely, no. A good deal of the Third Class letter size mail does not lend itself to being handled on the machinery for a variety of reasons. Thicknesses often times are different. There are some other differences in the Third Class mail.

Senator STEVENS. Is ZIP+4 going to survive beyond that First Class mail?

Mr. COUGHLIN. Yes. We believe it is. In fact, we are discussing right now the timing and some different options we have on including some aspects of Third Class in the ZIP+4 program. We just have not reached the final decisions on those.

ZIP+4 is going to be around for a long time and the automation system with it.

Senator STEVENS. I have now been on this Committee for 19 years, Mr. Tisch. And I have seen Postmasters come and go and I want to congratulate you as the representative of the Party that I do not represent by your personal preference for taking on the task of Postmaster General at this time.

I am impressed with the people that you have surrounded yourself with and of your dedication to making the Postal system very much of a functioning system for our rate payers.

And I just want you to know that as one who has tried to pay attention to what is going on down there, that we are very impressed with what is going on and want to encourage you to continue it.

I am a little worried about the growth and the number of employees, because I think sometimes we do not factor in the cost of future retirement. I would prefer to see people be able to make a little more money by way of overtime than to insist on hiring a new person with all the long term obligations that additional employee brings to the Federal Government and to the Postal Service.

But on balance I really think that we are very fortunate that you have joined the Postal Service and I do not think I have had this opportunity publicly to tell you what I have told you privately.

We are very pleased you took the appointment and we are genuinely pleased with the way you have put together a good working team. Thank you very much.

Mr. TISCH. Thank you very much, Senator Stevens.

Senator STEVENS. I have to go to another meeting, so I hope you will excuse me. Thank you, Mr. Chairman.

Senator PRYOR. Thank you, Senator Stevens.

It has been stressed that mailers can save by using ZIP. The question is whether the Postal Service saves on ZIP. And I think that is a greater issue.

Mr. COUGHLIN. Yes, sir, more and more every day. As more and more ZIP+4 mail comes into the stream, we are opening more and more automated secondary sorting systems and every time we do, every piece going through there is a cost savings.

Senator PRYOR. Pre-sorted mail carrying ZIP+4, the mailers get a 4 cent discount. Is that correct? For pre-sorting?

Mr. COUGHLIN. Yes.

Senator PRYOR. And an additional half of a cent for the ZIP+4. Does this type of mail go through the automated mail sorting equipment?

Mr. COUGHLIN. More and more of it is going through the automated mail sorting equipment every day.

Senator PRYOR. Evidently you are high on ZIP+4?

Mr. COUGHLIN. I am high on automation and ZIP+4 is a key part of that, yes, sir.

Senator PRYOR. Thank you.

I would like, if I might, ask a question or two about some finances that worry me about the Postal Service. On Page 14 of your annual report, you indicate that foreign governments owe $269 million to the Postal Service. That is up from $197.3 million in Fiscal Year 1985.

Give me an example of a foreign government owing us for past services. What do we do, give them credit?

Mr. COPPIE. That is a debt that is on their books due the United States Postal Service. Let me point out to you, Mr. Chairman, that the increase over 1986 was $72 million. And the largest element of that was $27 million due to currency fluctuations in fiscal year 1985.

Receivables are up because the value of the dollar was down in fiscal year 1985. Fluctuations in international currency in relationship to the dollar resulted in that amount of increase in special drawing rights.

Senator PRYOR. Are we going to collect—do we always collect this money each year?

Mr. COPPIE. We collect the money. There are some countries that there are problems with, such as Haiti, but from all responsible nations—we collect——

Senator PRYOR. It is not like Brazil, Mexico, Argentina, Venezuela that——

Mr. COPPIE. There are a number of others that are slow to pay but the total amount is relatively minor.

Senator PRYOR. I hope we do not get to that situation. Mr. Postmaster General, we are going to have several questions for the record. In order not to lengthen this hearing too much, let me ask a few more questions, and we will submit several questions for the record.

Senator Stevens just stated that he had been a member of this Committee 19 years, and I was just mentioning to Senator Stevens we played an interesting game. Senator Stevens has been Chairman of this subcommittee before, I have been Chairman before, Senator Sasser has been Chairman before.

It is kind of like musical chairs. But we all try to work together on these matters that come before this Committee. I, myself, feel very strongly there has got to be more oversight of the agencies that come before the Committee on Governmental Affairs. I enjoy oversight activity, I always have.

I think, very frankly, I would not necessarily bring this issue up in public. I know you have dealt with it before, but I think for the record that I must do so. I would like to talk about the allegation or the concern by some that there is a conflict of interest, Mr. Postmaster General, with your being an officer or a member, a majority stockholder in the firm of Loews, which I believe, is owned by CBS?

Mr. TISCH. No, I am sorry, sir, Loews is a public company of which Lawrence Tisch and I own approximately 22 or 23 percent of. Loews Corporation owns approximately 25 percent of CBS.

Senator PRYOR. Recently there has been a decision, I guess, or a restriction placed upon you—as I understand this agreement—provides that you will refrain from even participating in discussions at the Postal Service where there may be an overlapping interest with the Loews Corporation.

To me that appears to be a little awkward. I wonder if you might go into that.

Mr. Tisch. I have signed a recusal statement in reference the postal rate proceeding. CBS happens to be a fairly large mailer in their magazine and their record division. I have, as I say, signed this recusal and Deputy Postmaster General Coughlin is taking over in reference to the postal rate proceeding.

But in all other ways, I have lived up to the proposal that was set forth by the Office of Government Ethics and participated in all other actions of the Postal Service.

Senator Pryor. Can you participate in labor negotiations?

Mr. Tisch. Yes, sir.

Senator Pryor. I understand that the Postal Service is very labor intensive about—I guess on the order of 85 percent.

Mr. Tisch. That is correct.

Senator Pryor. There is obviously a very direct relationship between the wages of Postal employees and the price of a stamp. So, you are saying that you can participate in labor negotiations?

Mr. Tisch. Yes.

Senator Pryor. In what areas can you not participate?

Mr. Tisch. The postal rate proceedings and any matter where Loews Corporation or a member of the Tisch family has any interest in real estate.

The Assistant Ethical Conduct Officer at the Postal Service has a complete statement of all my holdings and before anything is done where there is a possibility there may be a conflict, it is checked out with the Assistant Ethical Conduct Officer who works with Mr. Cox and Mr. Hughes at the Postal Service.

Senator Pryor. So, you can or cannot participate in rate making discussions or decisions?

Mr. Tisch. I cannot participate in discussions on rate making decisions.

Senator Pryor. At those times, Mr. Coughlin would stand in your stead?

Mr. Tisch. Yes, sir, that is correct.

Senator Pryor. This has all been agreed to by the Office of Government Ethics; they have signed on off on all of this?

Mr. Tisch. That is correct.

Senator Pryor. I would like to move to one of the final subjects of this afternoon's hearing. Over the past several years, there seems to be an upward trend in the number of post offices closed. Last year, the closings, I believe, numbered 213.

Mr. Tisch. That is correct.

Senator Pryor. In 1985, 193, that is up about 85 over the early 1980's as a yearly average. What are we looking at in 1987 and 1988—by the way, when we close a post office, do we really save any money.

Mr. Tisch. We follow the precepts set forth by Congress before we close a post office and most of them are closed because of some condition—a road coming through where a post office was before and we cannot find a suitable facility in the locality.

We do not close post offices willy-nilly, and we do not have any plan to close post offices in the future other than those that are closed under the laws of Congress.

Senator **Pryor**. So, are you thinking that we are going to be closing more or less?

Mr. **Tisch**. Well, a few less this year. Right now, with what we have closed and what we anticipate may be closed during the Fiscal Year ending September 30, 1987, we are looking at about 200 post offices closed in this Fiscal Year.

Senator **Pryor**. That is about an average number, is it not?

Mr. **Tisch**. Yes, sir.

Senator **Pryor**. What size are those post offices? Are you talking about populated communities or very small communities?

Mr. **Coughlin**. Occasionally non-existent communities, but usually we are talking about places with 10, 20, 25, 50 customers. It will vary. There may be some where there are 150 customers served. Again, it depends on what the circumstances are as to what kind of alternative service we provide. Each one, though, has to be judged on its own merits.

Senator **Pryor**. Closing a post office is a very emotional thing.

Mr. **Coughlin**. Senator, I have been involved in closing post offices in some way or another for over 15 years, and I know it can be very emotional.

Senator **Pryor**. It is like closing someone's church or their school or library, sort of a part of little communities out there, and it is too bad we have to close any of them. I think that is part of the glue that holds this country together.

Mr. **Coughlin**. They are an important part of our network.

Senator **Pryor**. The Grace Commission recommends we close 12,000 post offices. What do you think of that recommendation?

Mr. **Tisch**. As I recall, sir, I think the Grace Commission report came out some 3 years or 4 years ago. The Postal Service did not act on the Post Office closing recommendation. The Postal Service does not believe it was a valid report on that point and the Postal Service has no intention or desire to have any mass closings of post offices.

Senator **Pryor**. Is the Post Office today engaged in a lot of contracting out? I am not talking about consultants here. I am talking about contracting out for services that normally would have been performed by employees.

For example, the Corps of Engineers is really heavily into this as are many of the agencies—the Department of Defense is a major one that it is in contracting out. Is the Postal Service moving toward this or moving away from it?

Mr. **Tisch**. I would say that we are looking at it very carefully, sir. We now contract out about 3 percent of our costs which could be performed by our own employees. And most of it is in transportation.

We do not—have not contracted out any work of the Postal employees during the last 6 or 8 months that I can recall.

Mr. **Coughlin**. Nothing of big significance.

Mr. **Tisch**. We continually study any proposals that are set forth to the Postal Service and we will not do it unless it results in substantial savings to the Postal Service.

We believe that we do in-house a better job in handling the work of the Postal Service than if we contracted out that type of work.

Senator PRYOR. I must tell you all a little story. About 1970 or 1971, I was a member of the House of Representatives. One Friday afternoon I was sitting there ready to go home and I was tired. It was about 3 o'clock.

And my secretary, Pat, came in and says, "There is a young man that has an idea that he wants to talk to you about." I said, "I do not want to hear any more ideas today. I have heard enough this week." She said, "Well, he says he will take 5 minutes."

So, an hour and a half later, when this young man finally left, my secretary said, "What in the world did he want? I tried several times to get him out of the office."

I said, "Well, Pat, the poor fellow came in here and he had this crazy, screwy idea that he could buy a group of airplanes and fly packages from town to town over night."

I might say his name is Fred Smith. The company is Federal Express, and last year his salary was $54 million, so I am not laughing at him as much now as I was then.

But that is part of one of America's success stories, and I know that others are getting into this area. I guess the Postal Service feels they have to compete now in the area of these private companies.

Mr. TISCH. The category is called Expedited Mail. The Postal Service express mail volume declined in fiscal year 1986, but we have been able to hold the decline and steady it for the last 6 or 8 months.

We now have 13 percent of the Expedited Mail market. We are fighting hard and we intend to have a higher percentage in the future.

I may say that the number of competitors is somewhat crowding the market. There are about seven of us who are in this Expedited Mail market, and you may have noticed that one of them, Purolator Company, has just been sold. We understand some of the other companies are not doing too well in the Expedited Mail market.

Senator PRYOR. Mr. Postmaster General, I have several questions that I would like to submit in writing.

There may be other members of this Committee who want to submit questions. We will forward those to you at the appropriate time and place and give you an adequate time to respond.

I would like to conclude this hearing by saying we thank you and your colleagues for coming forward, for being very honest and very frank with us today.

I would like—I do not want to say warn you, I cannot do that, and I can only speak for myself—to say that there is a great deal of consternation being expressed by Members of the House and the Senate relative to the increase of 18 percent on the cost of 22 cent postage stamp. That is a real concern to us.

We want to wish you well. Like Senator Stevens, I want to thank you for assuming this task and taking this job. I wish you the best and assure you the full cooperation of this Committee.

I hope you will look very strongly at some of those legal fees that do not look too good. They look awful high to me. I wish each agency had a particular committee to approve and maybe monitor those consulting contracts.

I think they have gotten out of hand throughout the Federal Government. They have gotten out of hand in State Government, and I think there is a great abuse of this. I think it is unchecked. I think we really do not have a system of checks and balances over those contractual relationships. Some of them are not even contractual but rather just agreements; and we have found the buddy system has come into play many, many times.

We want to thank you for appearing this afternoon and wonder if you have any final comment.

Mr. TISCH. No, sir. We want to thank you for holding this hearing and allowing us to be here and want to say that you can be assured that the management of the Postal Service will continue to watch our positions and the expenditures of finances very carefully and we will work very closely with the Senate Committee and your staff and do everything possible to hold down the cost of postage to the citizens of the United States.

Senator PRYOR. Thank you, Mr. Postmaster General. The meeting is adjourned.

[Whereupon, at 2:08 p.m., the Subcommittee was adjourned to reconvene at the call of the Chair.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

ANNUAL REPORT OF
THE POSTMASTER GENERAL
1986

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FINANCIAL AND OPERATING HIGHLIGHTS

	Year Ended Sept. 30, 1986	Year Ended Sept. 30, 1985	Year Ended Sept. 30, 1984	Year Ended Sept. 30, 1983	Year Ended Sept. 30, 1982
Pieces of mail (millions)	147,376	140,098	131,545	119,381	114,049
Percent change	5.2	6.5	10.2	4.7	3.6
			(dollars in millions)		
Operating revenue	$30,102	$27,736	$25,314	$23,582	$22,600
Percent change	8.5	9.6	7.3	4.3	10.1
Public service appropriation	$ 0	$ 0	$ 0	$ 0	$ 12
Percent change	—	—	—	−100.0	−97.5
Revenue forgone appropriation	$ 716	$ 970	$ 879	$ 789	$ 695
Percent change	−26.2	10.3	11.4	13.6	−12.0
Total appropriations	$ 716	$ 970	$ 879	$ 789	$ 707
Percent change	−26.2	10.3	11.4	11.6	−44.6
Total operating expenses	$30,717	$29,207	$26,357	$24,083	$22,826
Percent change	5.2	10.8	9.4	5.5	6.8
Net income (loss)	$ 305	($ 251)	$ 117	$ 616	$ 802
Percent change	—	—	−81.0	−23.1	—
Fixed assets (net of depreciation)	$ 5,588	$ 5,065	$ 4,815	$ 4,462	$ 4,132
Percent change	10.3	5.2	7.9	8.0	3.4
Equity (deficiency)	$ 362	$ 58	$ 311	$ 112	($ 505)
Percent change	520	−81.2	178.0	—	61.5
			(in units indicated)		
U.S. resident population January 1 (millions)	239.9	237.8	234.9	233.3	231.0
Percent change	0.9	1.2	0.7	1.0	1.0
Pieces of mail per capita	614	589	560	512	494
Percent change	4.2	5.2	9.4	3.6	2.6
Operating revenue per capita	$ 125.48	$ 116.64	$ 107.77	$ 101.08	$ 97.83
Percent change	7.6	8.2	6.6	3.3	17.0
Accrued cost per piece of mail	20.84¢	20.85¢	20.04¢	20.17¢	20.01¢
Percent change	—	4.0	−0.6	0.8	3.1
Operating revenue per piece of mail	20.43¢	19.80¢	19.24¢	19.75¢	19.82¢
Percent change	3.2	2.9	−2.6	−0.4	14.1
Net income (loss) per piece of mail	0.21¢	(0.18¢)	0.09¢	0.52¢	0.70¢
Percent change	—	—	−82.7	−25.7	—
Employees	784,557	744,490	702,123	678,845	675,122
Percent change	5.4	6.0	3.4	0.6	0.7

> "We want you to leave every encounter with us feeling that you have conducted business with a professional, responsive organization that has served you well."
>
> —Postmaster General Preston R. Tisch
> Postal Forum XX September 8, 1986

Preston R. Tisch became the 68th Postmaster General of the United States on August 16, 1986.

TO THE GOVERNORS OF THE UNITED STATES POSTAL SERVICE:

The best overall mail service in our history . . . rate stability that promises to last into 1988 . . . a major restructuring that moves the needs of the customer to the center of our activities . . . and signs of satisfaction from the public.

These were among the highlights of a year of transition in which the U.S. Postal Service began to change its thrust to that of a more customer-oriented, public business striving to provide a range of products and services that are effective for our customers and that are competitive where alternative forms of communications exist in our marketplace.

Pinpoint fiscal 1986 as the year the Postal Service put added emphasis on what customers need and want and on increasing flexibility while decreasing red tape.

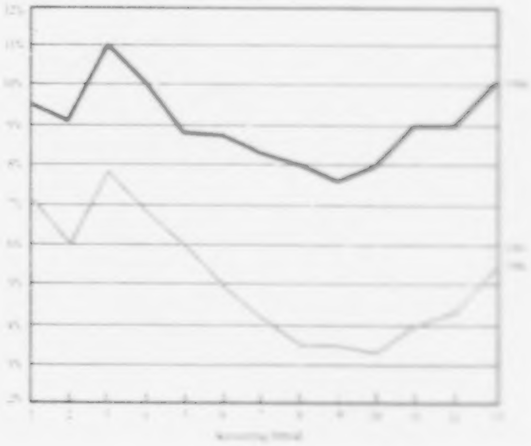
Our 1986 success story begins with the fact that the American public received better mail service.

Despite a significant increase in the total volume of mail handled during the year, the Postal Service established delivery performance records in six of the nine categories of mail measured against established standards—and tied a seventh. All-time highs were established in Express Mail; overnight, second-day and third-day delivery of metered First-Class Mail; as well as both intra-Bulk Mail Center (BMC) and inter-BMC parcel post service. Stamped overnight First-Class Mail was delivered at a record-equaling 95.5 percent on-time pace.

Although not setting new records, delivery service performances for second-day and third-day stamped First-Class Mail surged to their highest levels since 1983. Four-week accounting period records were established in both categories as the year ended.

Better service was the product of better target-setting, monitoring, follow-up actions, updated operating plans and adjusted transportation. Many of the problems with the new air transportation contracting system, which we

Overtime as a Percent of Total Hours Worked



Mail volume has increased every year since 1975 and in 1986 reached 147.4 billion pieces, an increase of 5.2 percent over fiscal year 1985.

Numbers, of course, tell only part of the fiscal 1986 success story. Another factor was the implementation of a major restructuring announced early in the calendar year.

Forty-two district offices were eliminated, our five regional management staffs were restructured and refocused and increased authority and responsibility for action were placed squarely in 74 new divisions to encourage more service improvements at the point of customer contact.

Continuing a program that had begun earlier, lobby window hours were adjusted for customer convenience in more than 3,000 offices nationwide. At the Northern Virginia Postal Facility at Merrifield, for example, window service is available until midnight on week nights as well as all day on Saturdays and Sundays.

Other local innovations include the use of Express Mail acceptance vans as part of a series of Express Mail improvements, the sending of mobile postal units to convalescent homes, around-the-clock window service at several locations—including some major airports—and an all-purpose "stamp store" in Des Moines.

There seemed to be, too, an improvement in public perceptions about our service. An August 1986 Roper Report found that, "considering cost and service," 86 percent of those polled were satisfied with the mail service, compared to 83 percent a year earlier. In April, another Roper Report showed the Postal Service receiving the highest favorable rating, by far, among 12 federal agencies.

These surveys, taken prior to the launching of the management reorganization, have been followed by numerous customer compliments for our renewed commitment to service.

The bottom line is that we moved more mail and provided the public with better service in a year in which our structure was modified and our top management responsibilities were directed by three different Postmasters General.

The year's performance proves the Postal Service is a vigorous institution. To help us remain so, technology is playing an ever larger role in our business.

However, one phase of our automation program, the introduction of multiline optical character reader (OCR) technology, was significantly delayed because of the criminal activities of a former governor. As a result of his efforts to affect the outcome of our purchasing decisions, the Postal Service terminated competitive testing in this phase of its automation program. A new procurement will begin in 1987, but the delay will postpone field deployment of the equipment and deprive the Postal Service and its customers of significant savings and other benefits.

We are continuing to move forward with our automation programs based on ZIP + 4 coding, and we are taking a more flexible approach.

The employment of additional technologies such as multiline OCRs provides the opportunity to take a more flexible approach in the future. We believe this flexibility will permit us to pursue automation of postal operations without imposing just one solution on the mailing industry.

Clearly, customer applied OCR-readable ZIP + 4 codes are now and will continue to be of value in achieving our automation goals. Where they are a practical economical solution,

Paid Hour Rate Comparison

encountered in 1985, were resolved. Several supplemental contracts were put in place which helped produce a number of service improvements including a precedent-setting on-time record for Express Mail of nearly 97 percent.

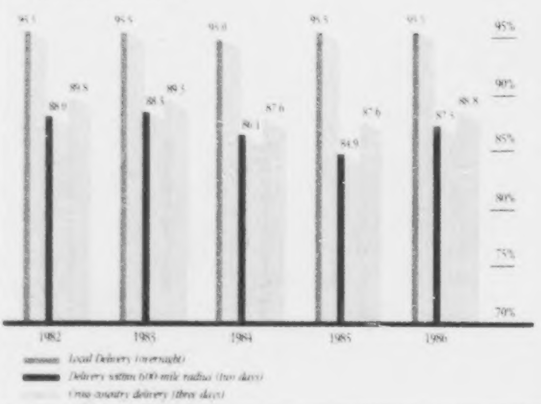
Financially, the Postal Service achieved a net income of $305 million for the fiscal year, compared to a $251 million deficit in 1985. The 1986 net figure represents about one percent of the postal budget and proves again that we can consistently meet the requirement of the Postal Reorganization Act that income "will equal as nearly as practicable" costs of the Postal Service and still maintain a reasonable degree of rate stability. We have been in the black five of the last 10 years with revenues exceeding expenses by $97 million (a mere 0.0004 of our gross revenue).

Our net income was the product of many factors, including volume and revenue growth, continued attention to cost control, improved accountability for expenditures and the effects of moderate inflation. We used 34.3 percent fewer overtime hours and benefited from lower starting wage levels. Because of the new labor mix, the average straight-time hourly rate paid for craft employees and casuals was $14.14—only eight cents higher than in 1985. If personnel costs had continued to rise at the rate experienced in 1985, expenses in this category would have been $689 million higher. Fortunately they did not.

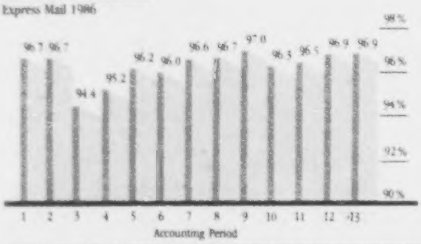
We are confident, as we move into a new fiscal year, that our customers can expect stable rates throughout 1987. There are, however, caution signs ahead. Legislation passed in 1986 will increase employee benefit costs substantially and will affect our financial outlook for 1987 and beyond.

The Federal Employees' Retirement System Act, for example, became effective January 1, 1987. This Act alone could cost the Postal Service more than $400 million in fiscal year 1987 and more than an additional $1.4 billion in fiscal year 1988. Other pending legislative proposals, such as eliminating revenue forgone appropriations but requiring the maintenance of preferred postage rates by spreading the costs to other rate categories would, if enacted, impose sizable additional financial burdens on the system.

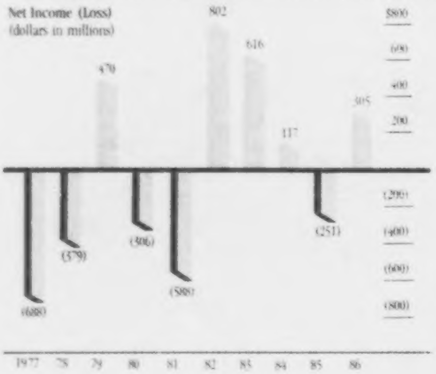
National Service Performance
Stamped First-Class Mail 1982-1986



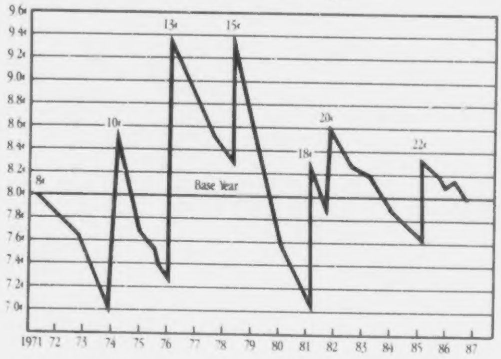
National Service Performance
Express Mail 1986



Net Income (Loss)
(dollars in millions)



Real Cost of a First-Class Stamp Since Postal Service Reorganization*



*Price deflated by Consumer Price Index

"... Increased competition and responsiveness to customer concerns through expanded hours and other changes are likely to make the service even better."

—Columbus (OH), Dispatch

"Since the reorganization of USPS we have noticed all key personnel are more accessible and channels of communication have improved considerably."

—Merrill Lynch Pierce Fenner & Smith, Inc.
New York, NY

"The post office's interest in its customers and its willingness to improve service are appreciated."

—Hays (KS), Daily News

for customers, we want to encourage their use and provide appropriate incentives. However, we recognize that for many, particularly smaller customers, this may not be the appropriate solution, and another approach to automation or a different mail preparation option may make more sense. As we move forward with automation planning, we hope to identify an expanded set of alternatives which consider both the effect on our customers' mail preparation costs—and needs—and postal operating costs.

We committed $2.4 billion for capital investments during FY 1986 to modernize our facilities and vehicle fleet, to further automate mail distribution functions and to bring the latest state-of-the-art technology to our retail operations and information systems. These are investments in our future which will continue to yield significant dividends for many years to come.

Over the next five years, our capital investment is expected to reach an estimated $11.7 billion.

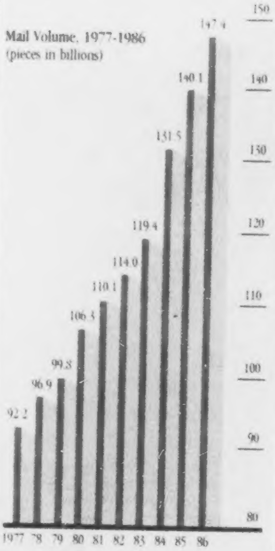
Our financial strategy, including a September borrowing of $1.25 billion, is directed toward the long-term investment goals we have formulated as we seek to keep pace with volume growth and customer expectations for efficient and economical services.

Our performance in 1986 demonstrates the commitment of the Postal Service to improve, to attack its problems and to master the challenge of serving our customers. It is vitally important that the Postal Service achieve further improvements on all these fronts because of the financial challenges of 1987 and beyond.

Preston R. Tisch

Preston R. Tisch
Postmaster General
January 1987

Mail Volume, 1977-1986
(pieces in billions)



During the Christmas holidays, many post offices send mobile units, like this one in Philadelphia, to nursing homes, shopping and business centers, and industrial parks so customers can purchase stamps.

The Northern Virginia Management Sectional Center, shown above, was one of more than 3,000 post offices that extended its window and lobby service hours to serve customers better.

Lobby designs were tested in eight postal facilities to see which features appeared to please customers and employees most. The design used in the Detroit General Mail Facility offers indirect lighting, open counter areas, and blue, red and gray tones.

"The Postal Service has always done great things in the past to help us, but the new Postal Service is even better. There seems to be a strong service attitude from the carriers to top officials. . . ."

—ADVO, Cincinnati, OH

WE CARE

Caring about customer satisfaction and working to attain that satisfaction are the cornerstones of the Postal Service.

System-wide restructuring strengthened the effort in 1986 by elevating the marketing function to senior management level and providing, for the first time, marketing management at the local level.

To serve customers through the new division marketing organization, the Postal Service built the system around account representatives. These representatives were assigned specific customer accounts and were given additional support from two new service areas of local marketing—technical sales, and merchandising and sales promotion.

At the same time, division consumer affairs representatives were appointed to address the concerns of individual customers.

During fiscal 1986, the Postal Service introduced new lobby designs and developed procedures for converting successful design ideas into standards. New design guidelines are planned for the spring of 1987.

In order to further improve customer convenience, more than 20,000 stamp vending machines and related equipment were installed, including stamp booklet and coil stamp dispensers and coin changers. More than one million additional post office boxes also were installed. Over 17 million post office boxes are now available at locations across the country.

The Postal Service also added 3,300 computerized Integrated Retail Terminals (IRTs) in fiscal 1986. These are the window units that make vital information—such as weight, rates and service options—quickly available to employees and customers by means of visual display screens. The IRTs have helped shorten lines and brighten dispositions by reducing customer waiting time. There are now 8,000 such units in service and by late fiscal year 1987, 5,700 more will be deployed.

The greatest positive reaction from customers came in response to the introduction in April of an expanded Adjusted Window Hours Program wherever possible. Given the authority to fit the concept to local conditions, postmasters throughout the country made the most of the opportunity. And they accomplished the task at very little cost.

In response, the *San Antonio (TX) Express News* wrote: "Let's hear one for the U.S. Postal Service. . . . This new emphasis on customer service is a refreshing change from an agency that for far too long has seemed oblivious to its basic mission—serving the public."

In another editorial, the *Memphis Business Journal* added: "We wish the Postal Service well in its efforts to become more like a private business."

Postal caring was further evident in the return of several hundred World War II V-Mail letters discovered hidden in an attic and put in the hands of the post office 42 years after they were written. The Carrier Alert Program to keep an eye on the elderly was expanded. Letter carriers and management joined the Child Alert Program to aid the cause of finding missing children. For customers attempting to reach people inside the Soviet Union by mail, the Postal Service issued a special booklet outlining the best procedures to follow.

As the Postal Service turns more attention toward serving its customers, it is also encouraging more community involvement by its employees.

In addition to the Carrier Alert and Child Alert Programs, postal workers at all levels adopted local schools and tutored students as part of the Partnership In Education Program. Many others contributed voluntary time to community affairs projects, and contributions to the Combined Federal Campaign from the men and women of the Postal Service totaled more than $19 million.

Of all the customer benefits offered by the Postal Service, none was more significant than the fact that, at 22 cents for a First-Class stamp, the United States still has the lowest domestic letter rate of all industrialized Western nations.

Our increasing concern for customer needs also was reflected in the areas of product and service improvements, where considerable progress was made.

A new National Change of Address System (NCOAS), developed in collaboration with a number of large mailers, will provide customers with more accurate address information. Under the system, mailers using the services of one or more of 20 licensed vendors, can have their mailing lists updated and purged of undeliverable addresses and correct ZIP Codes added before the list is used for mailing.

Raul Alvarez (left) was one of the World War II veterans to whom the Postal Service returned V-Mail letters written during May 1944, but never mailed. The 255 letters were discovered in a North Carolina attic in June. Alvarez was an Army corporal when he wrote his sweetheart, Terry (right), whom he later married. The Postal Service has been able to return 206 of the letters to the writers or their families.

10,000 Express Mail collection boxes were installed around the country in 1986 so customers have easy access to the Postal Service's expedited mail service.

The Postal Service processes enough undeliverable-as-addressed mail to create a stack more than 3,000 miles high!

In May 1986, the Postal Service implemented a strategic plan to improve service for bulk business mail—and it is working. Among its accomplishments was a 66 percent reduction in average waiting time for unloading trailers. The average waiting time was cut from 12-13 hours to four hours.

International mail volume declined by four percent from fiscal year 1985 due to intense competition characterized by the "remailing" of U.S. originating mail into foreign mailstreams by private companies. The Postal Service moved to enhance its ability to serve international customers by creating a market development division, working more closely with major U.S. bulk mailers and initiating, in May, a new International Priority Airmail Service to meet a need for faster and more affordable delivery of larger volumes of mail. By the end of the fiscal year, International Priority Airmail had nearly doubled expectations with over 110 customers and $500,000 in revenue.

Nine countries were added to the Express Mail International Service network. Miami was opened for International Surface Airlift, and the I-SAL network was extended to include the Far East, Latin America and the Caribbean.

One disquieting note developed when, for the first time, Express Mail volume lost ground, dropping by 8.7 percent to 40.1 million pieces, in the face of ever-increasing competition. The Postal Service moved aggressively to stop the decline and to make Express Mail service more competitive.

In less time than it takes to sneeze—approximately one second—the Postal Service processes as many as 5,000 pieces of mail. All that mail—more than 400 million pieces each day—enters a network of nearly 40,000 post offices, stations and branches, reaching more than 100 million delivery points throughout the country.

An Express Mail morning delivery program was implemented in 30 cities across the country, and the amount of Express Mail delivered by noon was increased at least 10 percent in each area.

A new Express Mail letter envelope was also introduced, and 10,000 Express Mail collection boxes were placed on the nation's street corners.

Additional improvements are being explored. The Postal Service began testing the use of credit cards in five major markets as a method of payment for Express Mail postage. Mobile Express Mail acceptance units underwent expanded testing, and a tracking system, using window automation equipment to capture Express Mail shipment data at the point of acceptance, was tested in Boston, Los Angeles and San Diego.

In the field of philately, the Postal Service released 37 stamp and stationery issues during the year. It received $158.3 million in gross revenue from stamp collectors, an increase of 28 percent over the previous year.

A quality enhancement and cost reduction program reduced fiscal year 1986 production costs by $5 million while simultaneously increasing the quality of philatelic products. Improvements during 1987 will result in the expenditure of two million fewer dollars to produce some two billion more stamps.

The Postal Service also put considerable energy into protecting the postal system and its customers. In its efforts to maintain the integrity of the system and prevent the public from being victimized by fraudulent schemes, the Postal Inspection Service conducted 1,928 fraud investigations in 1986 and obtained 1,131 convictions.

The Inspection Service has also directed concerted efforts to heighten public awareness of various mail fraud schemes. Furthermore, it is cooperating with the Food and Drug Administration and the Federal Trade Commission to prevent and investigate a variety of health frauds which target all elements of the American public, especially the elderly.

In addition, cease and desist orders were issued against 607 individuals and companies found to be misrepresenting their products and services.

Postal Inspectors also investigated 622 burglaries and 126 robberies committed by persons intent upon attacking the security and sanctity of the mail. The inspectors, in an investigation still underway, also uncovered the illegal activities of a postal governor—who has since resigned, pleaded guilty to all charges and been imprisoned.

The Postal Service installed 3,300 Integrated Retail Terminals in 1986, bringing the total to 8,000 throughout the country. These computerized terminals provide fast, accurate information on weight, rates and service options to postal clerks and customers.

Selected Foreign Postal Rates Compared with United States Rate

Country	Rate for first unit of domestic letter postage (national currency)	Postage converted to U.S. cents*
1. Italy	550.00 Lira	39.7
2. Federal Republic of Germany	.80 Mark	39.5
3. Japan	60.00 Yen	38.9
4. Austria	5.00 Shilling	38.6
5. Norway	2.50 Krona	33.9
6. France	2.20 Franc	33.2
7. Netherlands	.70 Guilder	30.6
8. Sweden	2.10 Krona	30.4
9. Switzerland	.50 S. Franc	30.3
10. Belgium	12.00 B. Franc	28.6
11. United Kingdom	.17 Pound	24.6
12. Canada	.34 C$	24.5
13. Australia	.36 A$	22.6
14. U.S.A.	.22 US$	22.0

**Foreign exchange rates prevailing on September 30, 1986. The Wall Street Journal, October 1, 1986.*

"When the USPS replaced the debt-ridden Post Office Department in 1971, it was given a $920 million annual subsidy and 14 years to become self-supporting. The [Postal Service] has lived up to its mandate, it's an experiment worth repeating."

—Houston Post

TECHNOLOGY AND MODERNIZATION

Technology and modernization are vital elements in the future success of the Postal Service.

More and better automated and mechanized equipment helped improve efficiency and productivity this past year. Meanwhile, postal management is pursuing new applications of technology so that customers' growing needs can be met in the decades ahead.

Despite the delay in the planned procurement of multiline Optical Character Readers (OCRs), the automation of mail processing continued to accelerate in fiscal year 1986.

The Postal Service has accepted 106 second-generation OCRs at 57 locations and 71 new Bar Code Sorters (BCSs), which are operating at 46 sites. Acceptance tests on this equipment indicate performance is exceeding contract-required standards by about seven percent. Under Phase I of the program, 252 OCRs and 248 smaller BCSs had been purchased.

Delivery of the improved Phase II OCRs will continue at the pace of a dozen per month through late 1988 until 403 are deployed. These machines are being used to process letters and cards bearing either mailer-applied 5-digit or ZIP + 4 codes. In just four years, the volume of mail processed by automated equipment has risen from zero to 20 percent while the mail sorted by the older, mechanized equipment has dropped from 67 to 57 percent. Manual sorting has declined from 33 to 23 percent in the same period.

This notable progress is supported by over 2,000 firms that used ZIP + 4 codes on 10.7 billion pieces of letter mail in fiscal year 1986, compared to 6.2 billion pieces in 1985.

In 1987, a new procurement of multiline OCR equipment will be initiated. In the interim, additional multi-position letter sorting machines are being purchased.

In another area of mechanization, there are currently 245 flat-sorting machines in 123 facilities each processing an average of 1,000 flats per work hour, compared to a manual rate of 600 per work hour. Contracts have been awarded for 176 more flat sorters.

Additionally, 100 small parcel and bundle sorters are being purchased to mechanize some labor intensive operations.

Modification kits to improve letter canceling machines and a simple machine to provide mechanized canceling capability for large envelope flat mail are being developed.

Procurement of automated and other modern equipment for retail and vehicle operations is continuing, and many segments of business systems and records-keeping have been automated.

The Postal Service has contracted for two major truck purchases. One is for nearly 100,000 lightweight, long-life delivery vans that have twice the load capacity of many of our traditional delivery vehicles, and three times the current chassis life expectancy. The other is for nearly 4,000 two-ton vans that double the fuel economy, carry more cargo and cost less than their present counterparts.

System modernization is not limited to equipment. The Procurement and Supply Department has three major programs designed to simplify and speed buying, get feedback for better decisions and increase the overall level of its professionalism.

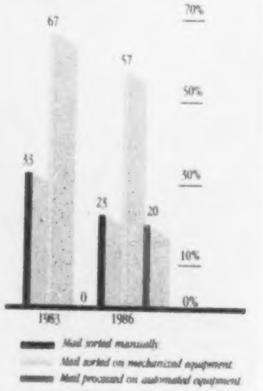
Competition, planning and developing a simpler procurement system are being emphasized.

An automated system is being developed to integrate information on purchasing and supply—and to make this information available to management in a way and to a degree never before possible.

A massive training effort for buyers and materials management people at every level is being prepared. Currently, five courses are being offered, with more in development. These courses will emphasize improving the business of buying and include special topics such as fraud detection, which is being taught by the Inspection Service. Taken together, the courses are focused on improving procurement and supply to make these important Postal Service functions more effective and efficient.

New upgraded and enlarged postal facilities are an integral part of postal modernization as well. A dozen major building projects, ranging in cost from $10.1 million to $89.9 million, were completed in fiscal year 1986—headed by the Washington, DC general mail facility—which was opened nearly two years ahead of schedule at a cost of about $4 million less than projected.

Comparison of Mail Processing Mix



This accomplishment was possible because the site, design and construction were provided under a single contract — a new concept that may be used for some of the most complex facilities in the future.

Another 175 postal-owned facilities were completed nationwide.

Since the Postal Service's Advanced Research Program was launched in 1983, a concerted effort has been made to use technology for overall service improvement. Research on handling an increasing mail volume by machine has yielded considerable progress.

Currently, the further use of technology in mail preparation is being studied. Other projects are aimed at recognizing address locations on odd-sized mail pieces and developing automated methods of feeding, transporting, diverting and sorting a wide variety of nonmachineable mail.

The Postal Service is committed to making technological advances that will enable it to maintain and improve its position in the marketplace. This was demonstrated by its sponsorship of an International Advanced Technology Conference during which more than 200 noted scientists and engineers discussed new and emerging developments. These included artificial intelligence, vision systems, optical character recognition, robotics and other advanced applications of technology to mail processing and distribution.

Work in adaptive robotics was one of 33 research projects conducted by the Postal Service's Office of Advanced Technology during 1986. In five to 10 years, the technology shown in the multiple exposure above may be used to sort small parcels and rolls and, possibly, to unload trucks.

Each of the three optical character readers in Washington, D.C.'s general mail facility can sort 30,000-40,000 letters per hour. They are part of the Postal Service's automation program, designed to speed operations and improve service. Use of the ZIP + 4 code makes these readers even more efficient.

In April 1986, the Postal Service awarded a contract to purchase nearly 100,000 light-weight delivery vans with a 24-year life expectancy. The vans carry a larger load than traditional vehicles and will begin to appear on the streets in 1987.

"It is high time to say a few kind words about the Postal Service. There are something like 800,000 Americans who rise each morning or at nightfall to move the mail. Generally they do a commendable job, with courtesy, dedication, and efficiency."

—Mullins (SC) Enterprise

POSTAL PEOPLE

Because of the increased emphasis placed on improved customer relations by the Postal Service, postal employees are being called on to demonstrate their human relations skills as never before.

Early indications are encouraging. Our field personnel are responding to the greater freedom and flexibility built into the reorganization with ideas and programs that benefit their customers.

If the Postal Service is to successfully meet the challenges of the future, it must strive for better teamwork and harmony from within. The expanding Employee Involvement/Quality of Working Life process is helping achieve that goal by offering increased organizational effectiveness through greater participation in workplace decisions.

Barely four years old, the Employee Involvement process has now grown to 3,500 work teams and quality circles in 3,000 facilities nationwide. Participants include the National Association of Letter Carriers, the National Rural Letter Carriers' Association, the National Post Office Mail Handlers union and postal management.

Employee Involvement, based on work teams composed of both craft and supervisory personnel, is intended to change attitudes and foster helpful ideas in the work place. In addition, by the end of fiscal year 1986, it had produced measurable local improvements in customer service, safety and operations.

The Postal Service also continued to make progress in its Affirmative Action/Equal Employment Opportunity Program.

The total postal work force included 30.5 percent minority employees by the end of fiscal 1986 compared to 29.6 percent in 1985. Female employees reached 30 percent of the work force compared to 28.5 percent in 1985.

Representation by minorities in level 15 and above, which includes supervisory and management positions, increased from 24.8 percent in 1985 to 25.7 percent in 1986.

Representation by female employees in level 15 and above increased from 20 percent to 21.7 percent.

Almost 25 percent of newly appointed postal career executives were female and minority employees.

Fiscal year 1986 marked the fourth consecutive year the Postal Service exceeded its goal for the hiring of handicapped individuals. During the year, 6453 handicapped individuals were hired, bringing the total number to 29,921, which is four percent of the entire work force.

Donna Meade, postmaster of Bowlegs, Oklahoma, was the Postal Service's Outstanding Handicapped Employee of 1986. A hit-and-run accident in 1983 left her a quadraplegic but did not diminish her determination to succeed in her postal career.

A primary focus of affirmative action was to stress postal managers' responsibilities for career counseling and to emphasize career development for employees.

The Postal Service spent $70 million in fiscal 1986 for all types of training. This does not include salary related costs of those receiving training or of the local training staff. More than 14 million training hours were provided. Approximately 80 percent of that training was conducted in field installations throughout the country, with the percentage expected to increase as training requirements grow and efforts to decentralize continue.

In the field of rehabilitation, the Postal Service continued its efforts to expand the Employee Assistance Program (EAP) to assist employees who have drug- and alcohol-related problems. Approximately 12,500 individuals participated. Since EAP and its predecessor, the Program for Alcoholic Recovery began, 62,500 people have participated in our rehabilitation programs.

In general, the Postal Service also made progress toward improving its safety record in 1986. The total accident rate per 200,000 workhours was reduced to 7.8 from 8.2 the previous year. The number of lost workday cases due to injuries was trimmed to 2.6 per 200,000 workhours from 2.9.

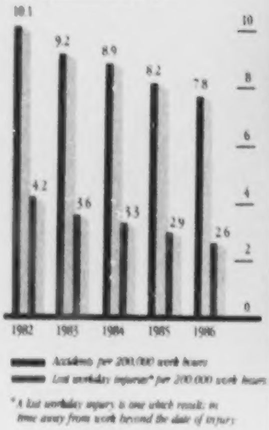
To achieve the favorable results, the Postal Service involved supervisors more deeply and held them accountable for emphasizing training, especially for new employees and those who had recurring accidents.

However, much is still to be done. Motor vehicle accidents increased from 5.1 per million miles driven in fiscal year 1985 to 5.5 in 1986, a level which is not acceptable.

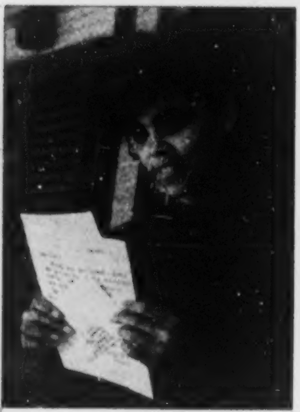
To counter the adverse trend in vehicle accidents, the Postal Service took several steps. Driver selection and testing procedures were changed, an improved driver observation program was implemented, and a seat belt use incentive program was instituted.

Finally, fiscal year 1986 saw the beginning of the final year of current major labor agreements. When negotiations for new agreements begin in 1987, management will be seeking a contract which is fair to employees, fair to the Postal Service and fair to customers.

Safety Performance, 1982-1986

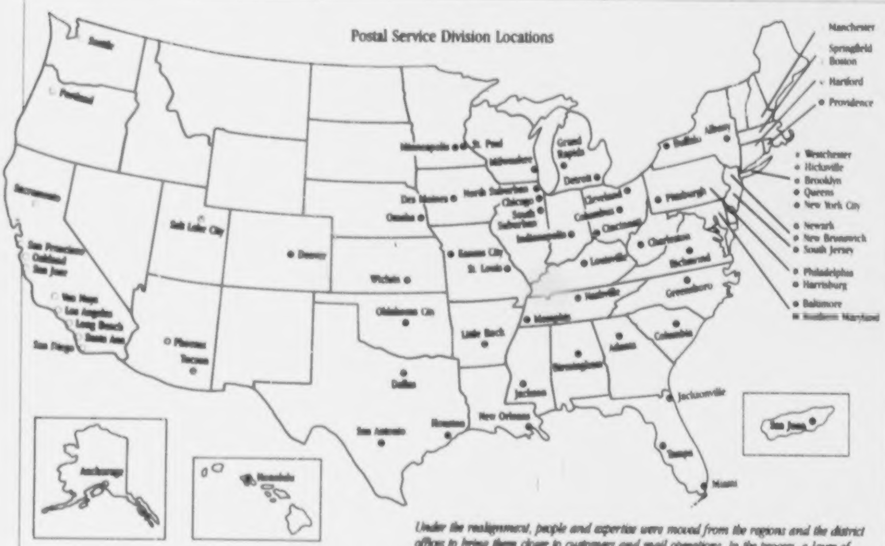


*A lost workday injury is one which results in time away from work beyond the date of injury



Although about 94 percent of all mail is business-oriented, the Postal Service has never lost sight of the importance of social correspondence. Cards and letters remain an essential part of its franchise to bind the nation together.

Postal Service Division Locations



Under the realignment, people and expertise were moved from the regions and the district offices to bring them closer to customers and mail operations. In the process, a layer of management was removed by abolishing the 42 districts. The divisions were established in 74 of the largest mail processing facilities in the country and received greater authority for making day-to-day operating decisions within the parameters of established postal policies.

FINANCIAL STATEMENTS

BALANCE SHEETS
UNITED STATES POSTAL SERVICE

	Sept. 30, 1986	Sept. 30, 1985
	(dollars in thousands)	
Assets		
Current assets		
Cash	$ 128,863	$ 274,274
U.S. Government securities, at amortized cost which approximates market	3,823,227	4,369,701
Receivables		
U.S. Government	200,066	161,341
Foreign countries	269,747	197,332
Accrued interest	17,207	25,792
Other	79,447	56,662
	566,467	441,127
Less allowances	23,739	20,769
	542,728	420,358
Supplies, advances and prepayments	163,702	170,408
Total current assets	4,658,520	5,234,741
Other assets — Note 4	19,377	20,196
Property and equipment, at cost — Note 4		
Land	687,323	594,065
Buildings	4,682,636	4,223,712
Equipment	2,992,949	3,004,289
	8,362,908	7,822,066
Less allowances for depreciation	2,774,448	2,757,425
	5,588,460	5,064,641
Construction in progress	1,359,508	1,055,327
Leasehold improvements, net of amortization	145,270	113,719
	7,093,238	6,233,687
Deferred retirement costs — Note 3	18,043,047	17,571,593
	$29,814,182	$29,060,217

See notes to financial statements.

	Sept. 30, 1986	Sept. 30, 1985
	(dollars in thousands)	
Liabilities and equity		
Current liabilities		
Outstanding postal money orders	$ 360,587	$ 302,310
Compensation and employees' benefits	1,768,690	1,638,604
Amounts payable to other U.S. Government agencies	106,262	101,232
Other accounts payable and accrued expenses	835,856	659,132
Deferred revenue	614,276	564,815
Estimated prepaid postage	1,019,000	954,000
Current portion of long-term debt	141,800	91,800
Total current liabilities	4,846,471	4,311,893
Long-term debt, less current portion—Note 4	3,092,649	1,983,263
Other liabilities		
Amounts payable for retirement benefits—Note 3	17,630,261	17,134,576
Employees' accumulated leave	814,933	776,121
Workers' Compensation claims	3,048,000	2,776,000
Other	20,000	20,000
	21,513,194	20,706,697
Commitments and contingencies—Notes 3, 5 and 6		
Equity		
Capital contributions of the U.S. Government	3,041,206	3,042,310
Deficit from operations since commencement on July 1, 1971	(2,679,338)	(2,983,946)
	361,868	58,364
	$29,814,182	$27,060,217

See notes to financial statements

STATEMENTS OF OPERATIONS AND CHANGES IN EQUITY
UNITED STATES POSTAL SERVICE

	Year Ended Sept. 30, 1986	Year Ended Sept. 30, 1985
	(dollars in thousands)	
Operating revenue	$30,102,091	$27,736,071
Appropriations for revenue forgone for certain classes of mail—Note 2	715,836	969,620
	30,817,927	28,705,691
Operating expenses		
Compensation and employees' benefits	25,575,894	24,349,087
Other	5,140,701	4,858,114
	30,716,595	29,207,201
Income (loss) from operations	101,332	(501,510)
Interest income	316,838	309,870
	418,170	(191,640)
Interest expense	113,562	59,840
Net income (loss)	304,608	(251,480)
Equity—beginning of year	58,364	310,739
Capital equipment transferred to U.S. Government	(1,104)	(895)
Equity—end of year	$ 361,868	$ 58,364

See notes to financial statements.

STATEMENTS OF CHANGES IN FINANCIAL POSITION
UNITED STATES POSTAL SERVICE

	Year Ended Sept. 30, [illegible]	Year Ended Sept. 30, [illegible]
	Dollars in thousands	
Sources of working capital		
From operations		
Net income (loss)	$ [illegible]	$ [illegible]
Charges to operations not requiring outlays of working capital		
Amortization of deferred retirement costs	[illegible]	[illegible]
Depreciation and amortization	[illegible]	[illegible]
Provision for noncurrent Workers' Compensation claims	[illegible]	[illegible]
Increase in employees' accumulated leave	[illegible]	[illegible]
Total sources from operations	[illegible]	[illegible]
Increase in noncurrent amounts payable for retirement benefits	[illegible]	[illegible]
Increase in long-term debt	[illegible]	[illegible]
Total sources	[illegible]	[illegible]
Uses of working capital		
Additions to deferred retirement costs	[illegible]	[illegible]
Additions to property and equipment, net	[illegible]	[illegible]
Increase (decrease) in other assets	[illegible]	[illegible]
Decrease in long-term debt	[illegible]	[illegible]
Capital equipment transferred to U.S. Government	[illegible]	[illegible]
Total uses	[illegible]	[illegible]
Increase (decrease) in working capital	$ [illegible]	$ [illegible]
Changes in components of working capital		
Increase (decrease) in current assets		
Cash and U.S. Government securities	$ [illegible]	$ [illegible]
Receivables	[illegible]	[illegible]
Supplies, advances and prepayments	[illegible]	[illegible]
	[illegible]	[illegible]
Increase (decrease) in current liabilities		
Outstanding postal money orders	[illegible]	[illegible]
Compensation and employees' benefits	[illegible]	[illegible]
Amounts payable to U.S. Government	[illegible]	[illegible]
Other accounts payable and accrued expenses	[illegible]	[illegible]
Deferred revenue	[illegible]	[illegible]
Estimated prepaid postage	[illegible]	[illegible]
Current portion of long-term debt	[illegible]	[illegible]
	[illegible]	[illegible]
Increase (decrease) in working capital	$ [illegible]	$ [illegible]

See notes to financial statements

NOTES TO FINANCIAL STATEMENTS
UNITED STATES POSTAL SERVICE
SEPTEMBER 30, 1986 AND 1985

Note 1
Postal Reorganization and Accounting Policies

The United States Postal Service (Postal Service) commenced operations on July 1, 1971, in accordance with the provisions of the Postal Reorganization Act. Its initial capital consisted of the equity of the Government of the United States in the former Post Office Department, with assets carried at original cost less depreciation. All liabilities attributable to operations of the former Post Office Department remained liabilities of the U.S. Government, except that the unexpended balances of appropriations made to, held or used by, or available to the former Post Office Department and all liabilities chargeable thereto became assets and liabilities, respectively, of the Postal Service.

Buildings and equipment are depreciated over their estimated useful lives using the straight-line method. Leasehold improvements are amortized over the lesser of the lease period or their useful life. Repairs and maintenance costs which do not materially extend the life of assets are expensed as incurred.

Research and development costs, which relate primarily to new equipment design, are expensed as incurred. Such costs amounted to approximately $21,000,000 in fiscal year 1986 and $25,000,000 in fiscal year 1985.

Workers' compensation costs, which are self-insured by the Postal Service, are recorded as an operating expense in the year of injury at the net discounted present value of the total estimated costs of claims.

Estimated prepaid postage represents the estimated amount of revenue collected prior to the end of the fiscal year for which services will be performed in the following fiscal year.

Amounts payable for retirement benefits reflect the Postal Service's legal obligation to the Civil Service Retirement and Disability Fund (the Fund) arising from increases in basic annual salary in an amount equal to the present value of the equal annual installments due the Fund and payable over a 30-year time period. Amounts applicable to operations of future years are charged to deferred retirement costs and are subsequently amortized through operating expenses.

Employees are permitted to accumulate certain unused annual leave which is payable when taken upon severance of employment or upon retirement. Employees are permitted to accumulate unused sick leave but such amounts are not vested; therefore, sick leave is expensed when paid.

Note 2
Operating Appropriations

The Postal Reorganization Act authorized to be appropriated to the Postal Service each year a sum determined by the Postal Service to be equal to revenue forgone by it in providing certain mail services free or at reduced rates. Operating appropriations received during fiscal years 1986 and 1985 totaled $715,836,000, and $969,620,000, respectively, and were solely for revenue forgone. These appropriations included $20,000,000 and $189,000,000, respectively, to offset the effect of Congress extending the period of phasing rates of certain classes of mail.

Note 3
Retirement Program

The Postal Reorganization Act provides that officers and career employees of the Postal Service shall be covered by the Civil Service Retirement Program (the Program) and the Postal Service shall withhold from pay and shall pay to the Civil Service Retirement and Disability Fund (the Fund) the amounts specified by the Program. The Postal Service and employees hired prior to January 1, 1984, each contributed seven percent of basic annual salary to the Fund and 1.45 percent and 1.35 percent in 1986 and 1985, respectively, of gross Social Security wages for Medicare.

Employees hired since January 1, 1984, are covered by the provisions of the Dual Civil Service Retirement/Social Security System. During fiscal years 1986 and 1985, these employees and the Postal Service each contributed 1.3 percent and seven percent, respectively, of basic annual salary to the Fund and 7.15 (7.05 in 1985) percent of gross wages for Social Security.

Under the Civil Service Retirement Program, the Postal Service is liable for that portion of any estimated increase in the unfunded liability of the Fund attributable to Postal Service employee-management agreements that authorize increases in basic annual salary on which benefits payable from the Fund are computed. The estimated increase in the unfunded liability as determined by the Office of

Personnel Management (OPM) is paid by the Postal Service in 30 equal annual installments with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System (currently five percent), with the first payment thereof due at the end of the fiscal year in which an increase in basic annual salary becomes effective. The total increase in the annual payment that resulted from increases in basic annual salary was approximately $58,664,000 and $318,998,000 for fiscal years 1986 and 1985, respectively.

Under the July 1981 and 1984 employee-management agreements, cost-of-living increases (COLAs) accumulated under prior agreements become part of basic annual salary in two phases. For those employees who so elected and who were eligible for optional retirement at the contract date or within the next six years, the accumulated COLAs became part of basic annual salary during the fiscal year following the contract date. For all other employees, the accumulated COLAs are included in basic annual salary under the 1981 and 1984 agreements in October 1984 and October 1987, respectively.

Whether COLAs to be paid in fiscal years 1985, 1986 and 1987 under the provisions of the 1984 employee-management agreements will be scheduled for inclusion in basic annual salary will be determined in future contract negotiations.

In fiscal year 1984, OPM informed the Postal Service that, with respect to the COLAs scheduled for inclusion in basic annual salary in October 1984 under the provisions of the 1981 employee-management agreements, it would consider employee and employer contributions applicable to these COLAs since November 1981, and related interest, as an increase in the unfunded liability beginning in fiscal year 1985. Postal Service management reviewed OPM's position and accepted it in fiscal year 1985 for purposes of determining the increase in the unfunded liability and annual payment thereon. Management expects OPM's position to also apply to accumulated COLAs scheduled to be included in basic annual salary in October 1987 under the terms of the 1984 employee-management agreements.

The increases in the unfunded liability and annual payment for retirement benefits in fiscal year 1985 include $3,212,987,000 and $199,056,000, respectively, due to the addition of accumulated COLAs to basic annual salary in October 1984 and $1,011,798,000 and $62,685,000, respectively, due to the addition of accumulated COLAs to basic annual salary in April 1985.

Effective January 1, 1987, employees hired since January 1, 1984, will be subject to the provisions of the Federal Employees Retirement System (FERS) Act of 1986. Employees hired prior to January 1, 1984, will be able to elect participation in FERS between July 1, 1987, and December 31, 1987. FERS is a three-tier retirement system consisting of Social Security, a basic annuity plan and a thrift savings plan. Contributions to the basic annuity plan are to be determined actuarially by OPM with the objective that benefits under the plan be fully funded. Unfunded liabilities of the basic annuity plan, if any, related to Postal Service employees as determined by OPM, will be funded by the Postal Service through supplemental contributions over thirty years with interest.

During fiscal year 1987, for participating employees, FERS will require contributions from the Postal Service and the employees amounting to 7.15 percent of gross wages for Social Security and an estimated 14.7 and 1.3 percent, respectively, of basic annual salary for the basic annuity plan. The Postal Service will also be required to contribute a minimum of 1 percent of the basic annual salary of participating employees per annum to the thrift savings plan. Contributions by employees to the thrift savings plan will be voluntary and will be fully matched by the Postal Service up to 3 percent of basic annual salary and at a fifty percent rate between 3 and 5 percent of basic annual salary.

The estimated future minimum payments required to fund amounts payable for retirement benefits at September 30, 1986, are as follows:

Fiscal Year	Amount
1987	$ 1,353,056,000
1988	1,353,056,000
1989	1,353,056,000
1990	1,353,056,000
1991	1,353,056,000
Thereafter	24,472,022,000
	31,237,302,000
Less amount representing interest and the portion classified as a current liability	13,607,041,000
	$17,630,261,000

Aggregate retirement costs for fiscal years 1986 and 1985 were $2,360,000,000 and $2,260,000,000, respectively, including $1,354,786,000 and $1,251,793,000, respectively, attributable to amortization of deferred retirement costs and interest on the unfunded liability.

Note 4
Long-Term Debt and Interest Costs

The Postal Reorganization Act authorizes the Postal Service to issue and sell obligations not to exceed $10,000,000,000 outstanding at any one time. The net increase outstanding in any one year shall not exceed $1,500,000,000 for capital improvements and $500,000,000 for operating expenses. Such obligations shall not be obligations of the U.S. Government unless the Secretary of the Treasury, upon request of the Postal Service, determines that it would be in the public interest to pledge the full faith and credit of the Government of the United States.

Long-term debt consists of the following:

	Sept. 30, 1986	Sept. 30, 1985
6⅞% Postal Service Bonds, Series A, due February 1, 1997	$ 250,000,000	$ 250,000,000
Notes payable to Federal Financing Bank:		
8.075% payable $32,000,000 each year to May 31, 2000	448,000,000	480,000,000
7.80% payable $15,000,000 each year to May 31, 2001	225,000,000	240,000,000
10.475% payable $38,800,000 each year to May 31, 2010	931,200,000	970,000,000
7.591% payable $50,000,000 each year to May 31, 2011	1,250,000,000	—
Mortgage notes payable including interest of 4% to 15% maturing from fiscal years 1987 through 2010 secured by land, buildings and equipment with a carrying amount of $179,000,000 (aggregate annual installments approximate $6,000,000 with $86,000,000 due in fiscal year 1988)	130,249,000	135,063,000
	3,234,449,000	2,075,063,000
Less current portion	141,800,000	91,800,000
	$3,092,649,000	$1,983,263,000

The 6⅞% Postal Service Bonds, Series A, were issued under a Trust Indenture dated February 1, 1972, and are secured by a first lien on the revenue, income, fees, rents, appropriations, and other receipts of the Postal Service; the proceeds of all obligations issued by the Postal Service; and all sinking and improvement funds established pursuant to the Trust Indenture. On July 31 of each year, the Postal Service is required to deposit in a sinking and improvement fund the sum of $10,000,000 either in cash or reacquired Series A Bonds. However, the Trust Indenture further provides that, at the option of the Postal Service, such sinking fund requirements may be applied to the payment of costs of capital additions or improvements to properties of the Postal Service. Since the commencement of the sinking fund in 1978, the Postal Service has applied $80,000,000 to the construction of mail facilities. The balance in the sinking fund ($10,000,000 in 1986 and $13,300,000 in 1985) is classified with other assets in the accompanying balance sheets. The bonds are redeemable prior to maturity, at the option of the Postal Service, at the principal amount plus accured interest.

At September 30, 1986, the maturities of long-term debt, including sinking fund requirements, are as follows:

Fiscal Year	Amount
1987	$ 151,800,000
1988	237,800,000
1989	151,800,000
1990	151,800,000
1991	151,800,000
Thereafter	2,389,449,000
	$3,234,449,000

Total interest costs incurred during fiscal years 1986 and 1985 were $186,712,000 and $107,740,000, respectively, of which $73,150,000 and $47,900,000, respectively, were capitalized as part of the cost of newly constructed property and equipment.

REPORT OF THE INDEPENDENT ACCOUNTANTS

Note 5
Commitments

At September 30, 1986, the estimated cost to complete approved Postal Service capital projects was approximately $2,097,000,000.

Total rental expense for the years ended September 30, 1986 and 1985 is summarized as follows:

	1986	1985
Noncancellable real estate leases, including related taxes (1986—$37,200,000; 1985—$33,400,000)	$370,800,000	$337,500,000
Facilities leased from the General Services Administration subject to 30-day notice of cancellation	35,500,000	39,100,000
Equipment and other short-term rentals	72,400,000	90,900,000
	$478,700,000	$467,500,000

At September 30, 1986, the future minimum rentals for all noncancellable leases approximate the following:

Year	Total
1987	$ 306,000,000
1988	280,000,000
1989	240,000,000
1990	195,000,000
1991	148,000,000
Thereafter	505,000,000
	$1,674,000,000

Most of these leases contain renewal options for periods ranging from three to twenty years. Certain noncancellable real estate leases have options to purchase the facilities at prices specified in the leases.

Note 6
Contingencies

Several equal employment opportunity, employee compensation and postal rate class action lawsuits are pending against the Postal Service. In addition, there are certain pending suits and claims resulting from traffic accidents involving postal vehicles and injuries on postal properties, suits involving personal claims and property damages, and suits and claims arising out of postal contracts.

In the opinion of management and General Counsel, adequate provision has been made for amounts which may become due under the suits, claims, and proceedings discussed in the preceding paragraph, and the likelihood of the aggregate final settlements of the above suits, claims, and proceedings having a material effect on the accompanying financial statements is remote.

Board of Governors
United States Postal Service

We have examined the accompanying balance sheets of the United States Postal Service at September 30, 1986 and 1985, and the related statements of operations and changes in equity and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements mentioned above present fairly the financial position of the United States Postal Service at September 30, 1986 and 1985, and the results of operations and changes in financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis during the period.

Arthur Young & Company

Arthur Young & Company
Washington, D.C.
November 17, 1986

FINANCIAL HISTORY SUMMARY

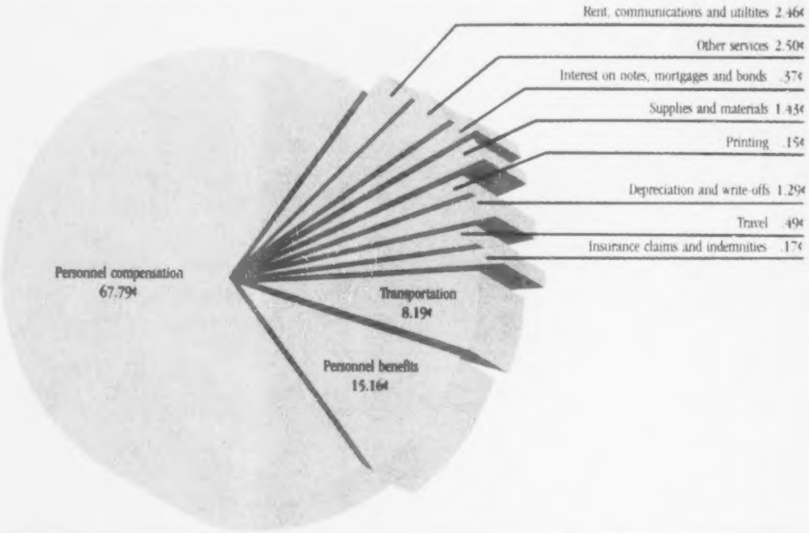
	1986	1985	1984	1983	1982
			(dollars in thousands)		
Statement of Operations					
Operating revenue	$30,102,091	$27,736,071	$25,313,554	$23,581,667	$22,599,937
Public service appropriation	0	0	0	0	12,140
Revenue forgone appropriation	715,836	969,620	879,000	789,000	694,670
Total revenue	30,817,927	28,705,691	26,192,554	24,370,667	23,306,747
Salaries and benefits	25,575,894	24,349,087	22,157,261	20,070,241	19,094,495
Other expenses	5,140,701	4,858,114	4,200,092	4,012,832	3,731,722
Total operating expenses	30,716,595	29,207,201	26,357,353	24,083,073	22,826,217
Operating income (loss)	101,332	(501,510)	(164,799)	287,594	480,530
Other income, net	203,276	250,030	282,151	328,732	321,046
Net income (loss)	$ 304,608	($ 251,480)	$ 117,352	$ 616,326	$ 801,576
Balance Sheet					
Assets					
Current assets	$ 4,658,520	$ 3,234,741	$ 3,332,636	$ 3,233,035	$ 3,352,598
Property, plant and equipment, deferred retirement costs and other assets	25,155,662	23,825,476	18,227,022	17,630,817	16,453,906
Total assets	$29,814,182	$27,060,217	$21,559,658	$20,863,852	$19,806,504
Liabilities					
Current liabilities	$ 4,846,471	$ 4,311,893	$ 4,375,896	$ 3,753,123	$ 3,818,819
Other liabilities	21,513,194	20,706,697	15,780,759	15,608,104	15,029,958
Long-term debt—bonds, notes and mortgages	3,092,649	1,983,263	1,092,264	1,390,855	1,462,873
Equity (deficiency)	361,868	58,364	310,739	111,770	(505,146)
Total liabilities and equity (deficiency)	$29,814,182	$27,060,217	$21,559,658	$20,863,852	$19,806,504
Analysis of Changes in Equity (Deficiency)					
Beginning balance	$ 58,364	$ 310,739	$ 111,770	($ 505,146)	($ 1,306,700)
Net income (loss)	304,608	(251,480)	117,352	616,326	801,576
Capital contributions	(1,104)	(895)	81,617	590	(22)
Ending balance	$ 361,868	$ 58,364	$ 310,739	$ 111,770	($ 505,146)

REVENUE FORGONE APPROPRIATION*
FISCAL YEAR 1986

Class of Service	Total Income of Service	Income from Revenues	Income from Appropriation	Appropriation as a Percentage of Income
		(dollars in millions)		
First-Class Mail	$18,034.9	$18,034.9	none	none
Priority Mail	1,010.7	1,010.7	none	none
Express Mail	490.8	490.8	none	none
Mailgram	17.5	17.5	none	none
Second-Class Mail				
Within-the-county	$ 147.7	$ 93.9	$ 53.8	36.4
Outside-the-county				
Nonprofit publications	235.8	179.7	56.1	27.0
Classroom publications	6.3	4.6	1.7	23.8
Regular-rate publications	958.0	935.9	22.1	2.3
Fees	8.2	8.2	none	none
Total Second-Class Mail	$ 1,356.0	$ 1,222.3	$ 133.7	9.9
Third-Class Mail				
Single-piece rate	$ 149.4	$ 149.4	none	none
Regular bulk rate	4,670.5	4,670.5	none	none
Nonprofit bulk rate	1,291.1	743.1	$ 548.0	42.4
Fees	43.3	43.3	none	none
Total Third-Class Mail	$ 6,154.3	$ 5,606.3	$ 548.0	8.9
Fourth-Class Mail				
Parcels (zone rate)	$ 404.5	$ 404.5	none	none
Bound printed matter	145.6	145.6	none	none
Special-rate matter	213.0	213.0	none	none
Library materials	79.0	48.3	$ 30.7	38.9
Fees	2.9	2.9	none	none
Total Fourth-Class Mail	$ 845.0	$ 814.3	$ 30.7	3.6
U.S. Government (franked and penalty) mail	$ 992.5	$ 992.5	none	none
Free mail for the blind and handicapped	37.9	—	$ 37.9	100.0
International mail	934.1	934.1	none	none
Totals	$29,873.7	$29,123.4	$ 750.3	2.5
Adjustment for prior years			−34.5	
Total			$ 715.8	

*Revenue forgone is that revenue given up or "forgone" by the Postal Service as a result of providing mail service at a reduced rate. This revenue loss, which is the difference between the reduced rate and the otherwise applicable rate, is given to the Postal Service by an annual appropriation of Congress, as specified in the 1970 Postal Reorganization Act.

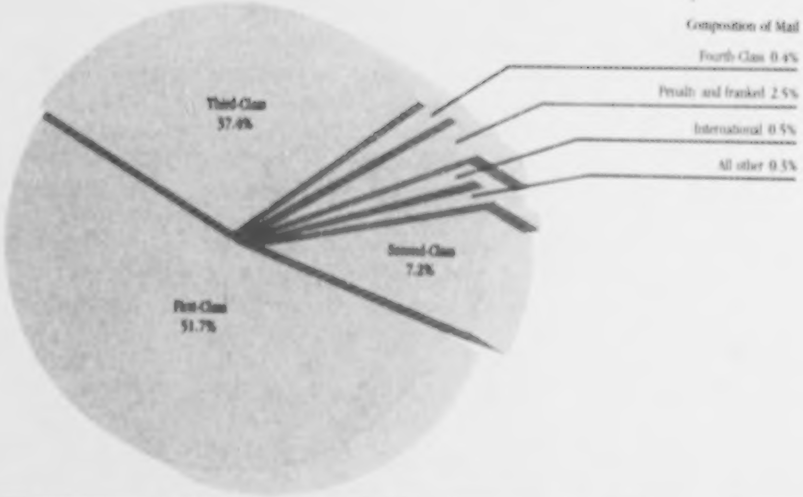
ANALYSIS OF EXPENSES
FISCAL YEAR 1986



Financial Operations

Source of Income	Millions of Dollars	
Mail revenue		
Postage	$28,130.9	
Federal government	992.5	$29,123.4
Special services		978.7
Government appropriations		
Revenue forgone appropriation for free and reduced rate mail		715.8
Other income, net		203.3
Total income		31,021.2
Total operating expenses		30,716.6
Net income		$ 304.6

ANALYSIS OF MAIL VOLUME
FISCAL YEAR 1986



Pieces of Mail

Mail Classification (in billions)	1986	1985	Percent Change
First-Class	76.19	72.44	5.2
Second-Class	10.59	10.38	2.0
Third-Class	55.05	52.17	5.5
Fourth-Class	0.60	0.58	4.6
Penalty and franked	3.72	3.29	13.1
International	0.80	0.83	−4.0
All other	0.43	0.41	5.0
Total mail	147.38	140.10	5.2

OPERATING STATISTICS

Classes of Mail	1986	1985	1984	1983	1982
			(in thousands of units indicated)		
First-Class					
Pieces, number	76,186,648	72,440,277	68,428,570	64,246,880	62,200,212
Weight, pounds	2,811,578	2,662,593	2,511,893	2,341,830	2,238,555
Revenue	$18,034,926	$16,739,909	$15,215,938	$14,255,397	$13,747,357
Priority Mail					
Pieces, number	329,896	307,815	293,442	271,355	258,674
Weight, pounds	704,027	672,446	656,085	587,607	582,084
Revenue	$ 1,010,709	$ 959,989	$ 928,436	$ 848,805	$ 823,065
Express Mail*					
Pieces, number	40,095	43,939	42,819	35,920	27,748
Weight, pounds	125,325	140,002	141,518	105,276	103,455
Revenue	$ 490,782	$ 502,482	$ 457,656	$ 394,209	$ 314,828
Mailgram					
Pieces, number	25,540	31,266	34,329	36,588	42,075
Revenue	$ 17,469	$ 14,906	$ 12,811	$ 13,799	$ 15,997
Second-Class					
Pieces, number	10,587,904	10,379,515	9,522,476	9,219,753	9,526,570
Weight, pounds	3,971,641	3,965,545	3,852,029	3,526,097	3,481,712
Revenue	$ 1,222,327	$ 1,092,927	$ 1,025,020	$ 958,369	$ 961,075
Third-Class					
Pieces, number	55,048,946	52,170,257	48,248,714	40,734,719	36,719,323
Weight, pounds	6,543,988	6,452,647	5,786,583	5,062,073	4,295,638
Revenue	$ 5,606,268	$ 4,886,566	$ 4,240,832	$ 3,676,775	$ 3,303,187

**Express Mail statistics have been restated to represent Domestic Express Mail only. Statistics for International Air have been revised to reflect this change.*

Classes of Mail	1986	1985	1984	1983	1982
			(in thousands of units indicated)		
Fourth-Class					
Pieces, number	602,006	575,680	599,037	567,529	596,699
Weight, pounds	2,254,271	2,156,461	2,289,263	2,248,224	2,445,945
Revenue	$ 814,291	$ 763,003	$ 773,988	$ 753,168	$ 787,649
International Surface					
Pieces, number	315,734	327,449	352,481	385,137	404,619
Weight, pounds	153,750	153,644	165,590	166,609	174,527
Revenue	$ 220,877	$ 212,753	$ 212,862	$ 222,872	$ 233,880
International Air**					
Pieces, number	481,993	503,266	543,447	520,562	523,620
Weight, pounds	64,408	69,491	70,151	67,564	60,272
Revenue***	$ 713,249	$ 710,834	$ 677,919	$ 678,796	$ 672,011
Penalty					
Pieces, number	2,969,799	2,608,045	2,523,178	2,775,321	2,946,379
Weight, pounds	468,930	469,530	499,673	487,156	513,046
Revenue	$ 896,376	$ 848,896	$ 788,894	$ 841,012	$ 818,472
Franked					
Pieces, number	751,769	682,914	923,955	549,247	772,696
Weight, pounds	17,441	14,847	19,744	14,178	20,646
Revenue	$ 96,103	$ 85,529	$ 111,646	$ 72,197	$ 99,309
Free for the Blind					
Pieces, number	35,475	27,533	32,172	38,398	30,590
Weight, pounds	36,793	25,375	29,595	37,797	27,898
Totals					
Pieces, number	147,375,805	140,097,956	131,544,620	119,381,409	114,049,205
Weight, pounds	17,152,152	16,782,581	16,022,124	14,644,411	13,943,778
Revenue	$29,123,377	$26,817,794	$24,446,002	$22,715,399	$21,776,830

***Figures have been revised to include International Express Mail formerly included with Domestic Express Mail*

****Includes transit special handling and miscellaneous revenue*

Special Services	1986	1985	1984	1983	1982
			(in thousands of units indicated)		
Registry					
Number of articles (paid and free)	52,348	51,123	54,735	53,950	53,836
Revenue	$ 167,363	$ 164,038	$ 162,979	$ 164,882	$ 157,888
Certified					
Number of pieces	147,574	130,608	124,112	111,255	105,708
Revenue	$ 202,927	$ 174,702	$ 155,998	$ 140,538	$ 136,009
Insurance					
Number of articles	39,783	43,372	46,960	48,749	47,498
Revenue	$ 50,344	$ 51,043	$ 54,229	$ 55,505	$ 53,574
Collection on Delivery					
Number of articles	10,383	11,022	11,960	11,819	13,333
Revenue	$ 19,528	$ 21,504	$ 25,030	$ 21,906	$ 25,560
Special Delivery					
Number of articles	10,232	15,373	19,044	22,055	25,857
Revenue	$ 30,448	$ 40,496	$ 40,681	$ 47,416	$ 55,440
Money Orders					
Number issued	133,799	117,792	115,550	115,073	109,479
Revenue fees	$ 134,647	$ 125,935	$ 131,575	$ 124,200	$ 121,785
Other					
Box rents revenue	$ 258,582	$ 229,891	$ 188,055	$ 202,050	$ 168,049
Stamped envelope revenue	14,743	16,831	13,885	16,826	18,927
Other revenue, net	100,132	94,037	97,122	92,945	86,075
Totals					
Special services revenue	$ 978,714	$ 918,277	$ 867,552	$ 866,268	$ 823,107
Mail revenue	29,123,377	26,817,794	24,446,002	22,715,399	21,776,830
Operating revenue	$30,102,091	$27,736,071	$25,313,554	$23,581,667	$22,599,937

Employees	1986*	1985*	1984*	1983*	1982*
Headquarters employees	3,037	3,077	3,012	2,993	2,893
Field regular employees					
Regional and other field units	4,988	6,536	6,524	6,441	6,339
Inspection Service (field)	4,237	4,370	4,510	4,655	4,977
Postmasters	27,352	27,811	28,140	28,266	28,514
Post office supervisors and technical personnel	49,424	46,279	44,515	41,659	40,673
Post office clerks, mail handlers and nurses	259,773	248,939	235,172	229,141	231,802
City delivery carriers and vehicle drivers	186,727	179,198	171,434	166,317	165,087
Rural delivery carriers	35,938	35,206	34,679	34,438	33,987
Special delivery messengers	1,824	1,832	1,790	1,815	1,843
Building and equipment maintenance personnel	28,383	28,477	27,524	27,193	26,268
Vehicle maintenance facility personnel	4,346	4,218	4,119	4,023	4,034
Total full-time employees	606,029	585,943	561,419	546,941	546,417
Other employees	147,870	130,055	116,585	109,459	105,510
Rural carrier substitutes	3,184	4,716	6,687	9,324	14,375
Rural carrier reliefs**	27,474	23,776	17,432	13,121	8,820
Grand total	784,557	744,490	702,123	678,845	675,122

Offices, Stations and Branches	1986	1985	1984	1983	1982
Number of post offices	29,344	29,557	29,750	29,990	30,155
Number of stations and branches:					
Classified stations and branches	4,240	4,224	4,184	4,160	4,129
Contract stations and branches	3,965	3,856	3,744	3,626	3,508
Community post offices	1,721	1,690	1,708	1,669	1,655
Total	9,926	9,770	9,636	9,455	9,292
Grand total	39,270	39,327	39,386	39,445	39,447

*Figures have been revised to conform with current method of counting employees using the on rolls and paid employee statistics database.

**Rural carrier reliefs are a new kind of casual employee created by the 1981-84 agreement between the Postal Service and the National Rural Letter Carriers' Association and are now included in the 1982-86 totals.

Postmaster General
Preston R. Tisch

Deputy Postmaster General
Jackie A. Strange

Associate Postmaster General
Fletcher F. Acord

Left to Right: Senior Assistant Postmasters General Edward E. Horgan, Jr., Mitchell H. Gordon, Michael S. Coughlin, David H. Charters, Kenneth J. Hunter, Comer S. Coppie and General Counsel Louis A. Cox.

Left to Right: Regional Postmasters General Johnny F. Thomas, John G. Mulligan, Harry C. Penttala, Joseph R. Caraveo and Jerry K. Lee, Sr.

SENIOR U.S.P.S. OFFICIALS

Preston R. Tisch
Postmaster General

Jackie A. Strange
Deputy Postmaster General

Fletcher F. Acord
Associate Postmaster General

Louis A. Cox
General Counsel

Charles R. Clauson
Chief Postal Inspector

David H. Charters
Senior Assistant Postmaster General
Human Resources Group

Comer S. Coppie
Senior Assistant Postmaster General
Finance and Planning Group

Michael S. Coughlin
Senior Assistant Postmaster General
Operations Support Group

Mitchell H. Gordon
Senior Assistant Postmaster General
Marketing and Communications Group

Edward E. Horgan, Jr
Senior Assistant Postmaster General
Facilities and Supply Group

Kenneth J. Hunter
Senior Assistant Postmaster General
Management Information and Research Technology Group

Joseph R. Caraveo
Regional Postmaster General
Western Region

Jerry K. Lee, Sr
Regional Postmaster General
Central Region

John G. Mulligan
Regional Postmaster General
Northeast Region

Harry C. Penttala
Regional Postmaster General
Southern Region

Johnny F. Thomas
Regional Postmaster General
Eastern Region

BOARD OF GOVERNORS
END OF FISCAL YEAR [illegible]

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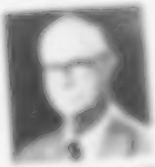

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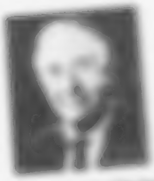

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RESPONSES TO WRITTEN QUESTIONS SUBMITTED BY SENATOR PRYOR

CONSULTANTS AND CONTRACTORS

1. **During his initial effort on behalf of the Postal Service, several senior officials were assigned to work for John Garrity.**

   a. **Please list the names, titles, and salaries of those officials.**

NAME	JOB TITLE	SALARY
Nelson C. Block	General Manager Budget & Cost Division Central Region	$64,400.00
Dick Cellino	MSC Manager/Postmaster Sioux Falls, South Dakota	$57,200.00
Michael B. DeGroot	Regional Director, Finance Eastern Region	$68,000.00
Harvey Donaldson	Director, Office of Operations Research and Systems Requirements	$64,407.00
Bruce Downey	Senior Advisor for Strategic Management	$64,400.00
Vincent Drumb	Director, Office of Collective Bargaining	$68,000.00
Eugene E. Fleming, Jr	District Manager Virginia District	$68,000.00
Peter Garwood	General Manager Employee Appeals Division	$60,775.00
Patricia M. Gibert	General Manager Regular Mail Services Division	$58,800.00
Michael A. Gump	Assistant Regional Chief Inspector, Audit Eastern Region	$64,400.00
Kenneth W. Lynn	General Manager Delivery Division Central Region	$64,400.00
Richard A. Portmann	Assistant Regional Chief Inspector, Audit Northeast Region	$60,703.00
Robert Sheehan	MSC Manager/Postmaster Orlando, Florida	$60,775.00
Richard J. Strasser, Jr	Director, Office of Strategic Management	$64,400.00
Karen Uemoto	Rates and Classification	$72,300.00

b. **Do you envision Garrity supervising postal employees once again?**

A minimum number of postal managers (1 or 2) will assist Mr. Garrity in his current undertaking.

c. **Who recommended that Garrity be retained for his current contract?**

The Postal Service Corporate Executive Committee.

d. **Please provide copies of all contracts between the Postal Service and Garrity.**

The requested information follows.

e. **Please provide copies of all Garrity work products prepared pursuant to the above contracts.**

A portion of Mr. Garrity's work product relates to sensitive matters possibly affecting on-going collective bargaining negotiations and rate case filing deliberations. This product currently is being reviewed and will be forwarded to the Subcommittee under separate cover.

2. a. **Is there a list somewhere of who has ordered what work from A.D. Little and for how much? Could you supply such a list for the record?**

CONTRACT/AWARD	CONTRACTOR	CONSIGNEE	START DATE	END DATE	CONTRACT AMOUNT	DESCRIPTION
104230-83-D-1902	ARTHUR D LITTLE IN	ADMINISTRATION GROUP	04/15/83	04/15/88	34400000	NEW TECHNOLOGY DEVELOPM
104230-83-M-2700	ARTHUR D LITTLE IN	APMG	07/15/83	07/15/84	0	STRATEGIC PLANNING RESC
104230-84-F-2311	ARTHUR D LITTLE IN	DATA ADMIN	05/18/84	10/12/84	9000	3-DAY COURSE PST&DI
104230-84-F-2595	ARTHUR D LITTLE IN	DATA BASE MGMT	06/20/84	10/12/84	9975	IBM PC VERSION IRMA
104230-85-X-0656	ARTHUR D LITTLE IN	DATABASE DESIGN	12/17/84	03/15/85	780	CONDUCT SEMINAR
104230-85-F-1098	ARTHUR D LITTLE IN	DATA BASE MGMT	01/23/85	06/07/85	61750	DATABASE TRAINING: IRM
104230-85-F-2972	ARTHUR D LITTLE IN	DATA BASE MGMT	06/19/85	06/20/86	3000	RENEW 84-F-2595 AD LITT
104230-86-M-1455	ARTHUR D LITTLE IN	SPECIAL SVCS	02/24/86	08/24/86	50000	DOCUMENT SECURITY WORK
104230-86-F-2144	ARTHUR D LITTLE IN	DATA BASE MGMT	04/17/86	05/02/86	16000	TRAINING COURSE
104230-86-F-2173	ARTHUR D LITTLE IN	DATA BASE MGMT	04/21/86	06/20/87	3000	RENEW 85-F-2972
104230-86-M-3690	ARTHUR D LITTLE IN	TRANS PROC POL	08/28/86	10/31/86	10000	EVALUATION SERVICES

b. **Has the Inspection Service audited this program?**

No - However, consultant contracts is a scheduled operations audit for Fiscal Year 1987. While work has not as yet started, the audit will be conducted. The objectives of the audit include:

- determine if they are managed effectively and economically;
- determine if the desired results have been achieved

and are adequate;

- determine if in-house capability exists prior to awarding consultant contracts.

3. **Aside from DOD, I'm not sure who has a larger, more widespread procurement program than the Postal Service. I think it is prudent, therefore, that a number of broad based procurement systems audits have been carried out in recent years. One such study was completed in December of 1985 by Arthur Young.**

   a. **How much did this six volume procurement study cost?**

   $765,071

   b. **How much other consultant business does the Postal Service do with its independent accountant?**

   None at the present time.

   c. **What ever became of that study?**

   The study was requested by the Procurement and Supply Department and has been used by the organization in developing its programs. With over 20 recommendations, all have been evaluated and a majority have been implemented, as appropriate.

   d. **Please provide the dates on which the Young study and the Postal Service study were begun and completed.**

   The Arthur Young study began in March 1985 and was completed in November 1985.

   The Inspection Service study began in October 1983 and was completed in October 1984.

4. **According to responses provided at the hearing, Dewey Ballentine will receive no more than $200,000 this year and 90 percent of work previously done by that firm will be done in-house.**

   a. **Why would you (the Board) pay one-third of the fee for only 10 percent of the work previously done?**

   The $200,000 cited was intended to represent a ceiling or maximum that the Dewey Ballentine firm would be paid in 1987. Subsequently, the Board's contract with that firm for legal services was terminated effective May 4, 1987.

5. Please supply a list of all contracts the Postal Service has entered into with Booz-Allen & Hamilton over the last five years. Include a description of the work, the cost of the contract and the beginning and ending dates of those contracts?

Contract	Description of Work	Contract Cost	Start/End Dates
104230-82-F-1489	Speech Mgmt Confr.	1200	4/5/82-5/10/82
104230-82-W-2828	Prototype Retail System	0	8/19/82-10/5/82
104230-83-H-2705	Strategic Planning Resc	0	7/15/83-7/15/84
104230-84-D-2823	E-COM	569,250	7/16/84-5/30/85
104230-85-M-1902	Veh Anal/Tech Svc	466,197	3/25/85-5/25/85
104230-85-M-2149	Transport/stacker Resea	719,000	4/15/85-5/31/87
104230-85-M-2924	CFS II Ergo Screen Desi	35,000	6/13/85-9/13/85
104230-85-M-3264	CFS II Ergo Screen Desi	37,463	8/8/85-8/26/85
104230-86-D-2066	Wind Auto Tech Supp	1,763,218	4/10/86-4/10/87

Contract No: 104230-86-Z-1208
Finance No.: 10-2003
Account No.: 52321

UNITED STATES POSTAL SERVICE

This contract for the services of John T. Garrity, made this ~~15th~~ 29th day of January, 1986, under the authority of PCM 3-204 by and between the United States Postal Service, hereinafter referred to as "the Postal Service" and Kendall Associates, P. O. Box 1344, New Canaan, CT 06840-1344 (06-1050326) hereinafter referred to as "the Contractor".

WITNESSETH:

WHEREAS, the Postal Service has a need for consultant services to assist the Postmaster General in a review of the management organization structure of the Postal Service and its principal management processes; and

WHEREAS, John T. Garrity is uniquely qualified by experience and education to provide these services,

NOW, THEREFORE, the parties mutually agree as follows:

1. The Contractor, as an independent Contractor and not an employee of the Postal Service, shall render to the Postal Service, as requested by the Contracting Officer or the Contracting Officer's Technical Representative (COTR) the following services by Mr. Garrity:

   a. Review will focus on, though not necessarily be limited to, the following organizations:

      - The Postmaster General's Office
      - Postal Service Headquarters
      - The Regional Offices
      - Representative District Offices
      - Representative Management Sectional Centers

   b. Review will encompass, though not necessarily be limited to, the following management processes as they relate to the management structure:

      - Long-range Planning
      - Budgeting and Staffing
      - Product Development and Pricing
      - Management Information and Communications
      - Expense and Capital Expenditure Authorization
      - Research and Development Planning
      - External Affairs

The review will be limited to the management organization and process. It will not involve an evaluation of personnel or appraisal of previous decisions.

2. The Contractor shall render the aforementioned services as requested commencing January 15, 1986. Such services may be noncontinuous; however, it is contemplated that Mr. Garrity will work substantially full time on this contract. This review, at least in its first diagnostic phase, is estimated to require ninety (90) days.

3. Such services may be noncontinuous and the period during which they are rendered may be within 180 calendar days after contract award and may be extended by an additional 180 calendar days at the option of the Contracting Officer.

4. The Contractor shall be paid for services rendered hereunder at the rate of $900 per day (or part thereof).

5. The Contractor shall be reimbursed for approved travel and expenses incident to travel actually and necessarily incurred during the contract performance in the same manner and to the same extent as an Officer of the Postal Service. All expenses for travel submitted for reimbursement shall be substantiated by copies of receipts, stubs, etc.

6. The Contractor shall be paid on a monthly basis upon receipt of a properly executed invoice.

7. The maximum amount for which the Postal Service shall be liable for under the contract is $216,000.

8. No modification to this contract shall be recognized unless in writing and signed by the Contracting Officer

9. This contract consists of 10 pages, including Annex A and PS Forms 7319-B and C attached hereto and made a part thereof.

In testimony whereof the parties hereto have submitted their names on the date indicated below.

By: John T. Garrity 1/28/86
John T. Garrity Date
Kendall Associates

By: 1-29-86
Lona L. Gray Date
Contracting Officer
U. S. Postal Service

REPRESENTATIONS AND CERTIFICATIONS

Page 3 Of 10
USPS Solicitation No.
Date of Offer 1/15/86

NAME & ADDRESS OF OFFEROR	*(No., Street, City, State & ZIP Code)* Kendall Associates, P. O. Box 1344, New Canaan, CT 06840- 1344

The offeror makes the following representations & certifications as a part of the offer identified above.

INSTRUCTIONS	*(Check and complete all applicable boxes or blocks. The term 'offer' means bid where the procurement is advertised, and proposal where the procurement is negotiated.)* *NOTE.–Offers must set forth full, accurate, and complete information as required by this solicitation (including attachments). The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.*	
1. **TYPE OF ORGANIZATION**	He operates as an ☐individual, ☐partnership, ☐joint venture, ☒corporation, ☐a nonprofit organization incorporated in the State of Connecticut.	
2. **REGULAR DEALER/ MANUFACTURER**	*(Check only for supply contracts where the offer exceeds $10,000.)* He is a ☐regular dealer in, ☐manufacturer of, the supplies offered.	
3. **PARENT COMPANY & EMPLOYER ID NUMBER**	*(A parent company is defined as one which either owns or controls the activities and basic business policies of the offeror. To own another company means the parent company owns more than 50% of the voting rights in that company. To control another company, ownership is not required; the parent company formulates, determines, or vetoes basic business policy decisions of that company.) This control may be exercised through the use of dominant minority voting right, use of proxy voting, contractual arrangements or otherwise.* Is the offeror owned or controlled by a parent company? ☐ Yes ☒No If the answer is 'Yes', the offeror must complete parts a, b, & c. If the answer is 'No' complete only part d. *(The Employer's Identification Number (I.D. #) is defined as the Federal Social Security No. used on Employer's Quarterly Federal Tax Return, US Treasury Form 941.)*	
	a) Name of Parent Company	b) Main Office Address of Parent Co. *(No., Street, City, State & ZIP Code)*
	c) Parent Co. ID No.	d) Offeror's ID No. 06-1080326
4. **BUY AMERICAN CERTIFICATE**	The offeror hereby certifies that each end product, except any end products he has listed below, is a domestic source end product *(as defined, in the clause entitled "Buy American Act")* and that components of unknown origin have been considered to have been mined, produced or manufactured outside the United States.	
	Excluded End Products	Country of Origin
5. **EQUAL OPPORTUNITY**	*(Check only if offer exceeds $10,000 in amount.)* He ☐ has, ☒has not, participated in a previous contract or subcontract subject to the Equal Opportunity clause herein, the clause originally contained in Section 301 of Executive Order No. 10925, or the clause contained in Section 201 of Executive Order No. 11114; he ☐ has, ☒has not, filed all required compliance reports; and representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained prior to subcontract awards. *(The above representation need not be submitted in connection with contracts which are exempt from the Equal Opportunity clause.)*	
6. **EQUAL OPPORTUNITY AFFIRMATIVE ACTION PROGRAM**	*(Check only if offer exceeds $50,000 and offeror has 50 employees or more.)* The offeror represents that (a) he ☐ has developed and has on file, ☒has not developed and does not have on file, at each establishment affirmative action programs as required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (b) he ☒has not previously had contracts subject to the written affirmation action program requirement of the rules and regulations of the Secretary of Labor. *(The above representation need not be submitted in connection with contracts which are exempt from the Equal Opportunity clause).*	

PS Form 7319-B
July 1981

*U.S.G.P.O.: 1982/654-085-1936

7. CONTINGENT FEE	(a) He ☐has, ☒has not, employed or retained any company or person (other than a full-time bona fide employee working solely for the offeror) to solicit or secure this contract, and (b) he ☐has, ☒has not, paid or agreed to pay any company or person (other than a full-time bona fide employee working solely for the offeror) any fee, commission, percentage or brokerage fee, contingent upon or resulting from the award of this contract. If the offeror responds in the affirmative, he shall furnish, in duplicate, a completed Form 7319, *Contractor's Statement of Contingent or Other Fees*, and any other information as may be requested by the Contracting Officer. If offeror has previously furnished a completed Form 7319 to the office issuing this solicitation, he may accompany his offer with a signed statement (a) indicating when such completed form was previously furnished, (b) identifying by number the previous solicitation or contract, if any, in connection with which such form was submitted, and (c) representing that the statement in such form is applicable to this offer. *(For interpretation of the representation, including the term "bona fide employee," see Postal Contracting Manual, subparagraph 1-504.3.)*
8. CLEAN AIR & WATER CERTIFICATION	*(Applicable only if (i) the offer exceeds $100,000, or (ii) the offer is for an indefinite quantity and it indicates that orders for estimated quantities will exceed $100,000 in any year, or (iii) a facility to be used is listed on the EPA List of Violating Facilities due to a criminal conviction, or (iv) the contract is not otherwise exempt.)* The offeror (a) certifies that any facility to be utilized in the performance of this proposed contract ☐is, ☐is not, listed on the Environmental Protection Agency *List of Violating Facilities* as of the date of this offer, and (b) agrees to notify the Contracting Officer promptly if any communication is received from the Environmental Protection Agency prior to contract award indicating that any such facility is under consideration for inclusion on the List.
9. INDEPENDENT PRICE DETERMINATION	(a) By submission of this offer, each offeror certifies, and in the case of a joint offer, each party thereto certifies as to his own organization, that in connection with this procurement: (1) The prices of this offer have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other offeror or with any competitor; (2) Unless otherwise required by law, the prices set forth in this offer have not been knowingly disclosed by the offeror and will not knowingly be disclosed by the offeror, prior to opening, in the case of a bid, or prior to award, in the case of a proposal, directly or indirectly to any other offeror or to any competitor; and (3) No attempt has been made or will be made by the offeror to induce any other person or firm to submit or not to submit an offer for the purpose of restricting competition. (b) Each person signing this offer certifies that: (1) He is the person in the offeror's organization responsible within that organization for the decision as to the prices being offered herein and that he has not participated, and will not participate, in any action contrary to (a) (1) through (a) (3) above; or (2) (i) He is not the person in the offeror's organization responsible within that organization for the decision as to the prices being offered herein but that he has been authorized in writing to act as agent for the persons responsible for such decision in certifying that such persons have not participated, and will not participate, in any action contrary to (a) (1) through (a) (3) above, and as their agent does hereby so certify; and (ii) he has not participated, and will not participate, in any action contrary to (a) (1) through (a) (3) above. (c) This certification is not applicable to a foreign offeror submitting an offer for a contract which requires performance or delivery outside the United States, its possessions, and Puerto Rico. (d) An offer will not be considered for award where (a) (1), (a) (3), or (b) above, has been deleted or modified. Where (a) (2) above has been deleted or modified, the offer will not be considered for award unless the offeror furnishes with the offer a signed statement which sets forth in detail the circumstances of the disclosure and the head of procuring activity determines that such disclosure was not made for the purpose of restricting competition.
10. CERTIFICATION OF NONSEGREGATED FACILITIES	*(Applicable to (1) contracts, (2) subcontracts, and (3) agreements with applicants who are themselves performing federally assisted construction contracts, exceeding $10,000 which are not exempt from the provisions of the the Equal Opportunity clause. An offer will not be considered for award where this certification is applicable and it has been deleted or modified.)* By the submission of this offer, the offeror, applicant, or subcontractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. He certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The offeror, applicant or subcontractor agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. He further agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause; that he will retain such certifications in his files; and that he will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):
Notice to Prospective Subcontractors of Requirement for Certifications of Nonsegregated Facilities	A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontractor or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

U.S. POSTAL SERVICE

REPRESENTATIONS AND CERTIFICATIONS

(Business Data)

Page 5 of 10

Name and Address of Offeror *(No. and Street, Apt./Suite No., City, County, State and ZIP Code)*
Kendall Associates, P. O. Box 1344, New Canaan, CT 06840-1344

Solicitation or Order No.

Date of Offer or Order 1/15/86

The U.S. Postal Service is Cooperating With Other Agencies of the Federal Government in the Collecting of Data Concerning Contract Awards. The Offeror is Requested to Check the Appropriate Block(s) Contained on This Form.

NOTE: Offers MUST set forth full, accurate and complete information as required by this solicitation (including attachments). The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

Definitions

1. SMALL BUSINESS CONCERN. A small business concern for the purposes of Postal Service procurement is a concern, including its affiliates, which is independently owned and operated, is not dominant in the field of operations in which it is submitting an offer, and is of a size consistent with the standards set forth by SBA in CFR Part 121, or if no standard has been established, then of a size employing not more than 500 employees. *(Also see PCM Section 1, Part 7.)*

2. MINORITY BUSINESS ENTERPRISE. A minority business enterprise is a concern of which at least 51 percent is owned by, and of which the management and daily business operations are controlled by, one or more members of a minority group. *(For the purpose of this definition, minority group members are U.S. citizens who are Black Americans, Hispanic Americans, Native Americans, or Asian-Pacific Americans. The term "Native Americans" means American Indians, Eskimos, Aleuts, or native Hawaiians. "Asian-Pacific Americans" means those whose origins are from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, or Taiwan.)*

3. WOMAN-OWNED BUSINESS. A woman-owned business is a business which is at least 51 percent owned, controlled, and operated by a woman or women. Controlled is defined as exercising the power to make policy decisions. Operated is defined as actively involved in the day-to-day management.

4. LABOR SURPLUS AREA. A geographical area which at the time of award is either a section of concentrated unemployment or underemployment, a persistent labor surplus area, or a substantial labor surplus area, as defined in this paragraph.

- (a) Section of concentrated unemployment or underemployment means appropriate sections of States or labor areas so classified by the Secretary of Labor.
- (b) Persistent labor surplus area means an area which is classified by the Department of Labor as an area of substantial and persistent labor surplus *(also called Area of Substantial and Persistent Unemployment)* and is listed as such by that Department in conjunction with its publication *Area Trends in Employment and Unemployment.*
- (c) Substantial labor surplus area means an area which is classified by the Department of Labor as an area of substantial labor surplus *(also called Area of Substantial Unemployment)* and which is listed as such by that Department in conjunction with its publication *Area Trends in Employment and Unemployment.*

5. LABOR SURPLUS AREA CONCERN. A firm which will perform or cause to be performed a substantial proportion of a contract in a labor surplus area.

6. EDUCATIONAL OR OTHER NONPROFIT ORGANIZATION. Any corporation, foundation, trust, or other institution operated for scientific or educational pruposes, not organized for profit, no part of the net earnings of which inures to the profit of any private shareholder or individual.

Check as Mary of the Following Blocks as are Applicable to the Entity Submitting This Offer

(√) Check	Type of Business	(√) Check	Type of Business
	Labor Surplus Area		Woman-Owned Business
X	Small Business		Educational or Other Non-Profit Organization
	Minority Business Enterprise		None of the Above Apply to This Entity

Company Representative

Printed Name and Title: JOHN T. GARRITY, DIRECTOR

Signature: John T. Garrity

PS Form 7319-C, April 1983

ANNEX A

GENERAL PROVISIONS FOR CONSULTING SERVICE CONTRACTS

1. DEFINITIONS (April 1972)

As used throughout this contract, the following terms shall have the meaning set forth below:

(a) The term "Contracting Officer" means the person executing this contract on behalf of the U.S. Postal Service, and any other officer or employee who is properly designated Contracting Officer; and the term includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority.

2. ASSIGNMENT OF CLAIMS (July 1985)

No claim arising under this contract shall be transferred or assigned by the Contractor.

3. CLAIMS AND DISPUTES (May 1983)

(a) This contract is subject to the Contract Disputes Act of 1978 (P.L. 95-563, 41 USC 601-613).

(b) All disputes arising under or relating to this contract shall be resolved under this clause. References to a Disputes clause in other clauses of this contract shall be understood to be references to this Claims and Disputes clause.

(c) (i) "Claim," as used in this clause, means a written demand or assertion by one of the parties seeking, as a legal right, payment of money, adjustment or interpretation of contract terms, or other relief arising under or relating to this contract.

(ii) A voucher, invoice, or request for payment that is not in dispute when submitted is not a claim under the Act. However, where such submission is subsequently not acted upon in a reasonable time, or disputed either as to liability or amount, it may be converted to a claim under the Act.

(iii)A claim by the Contractor shall be made in writing and submitted to the Contracting Officer for decision. A claim by the Postal Service against the Contractor shall be in the form of a decision by the Contracting Officer.

(d) For Contractor claims of more than $50,000, the Contractor shall submit with the claim a certification that: (i) The claim is made in good faith; (ii) Supporting data are accurate and complete to the best of the Contractor's knowledge and belief; and (iii) The amount requested accurately reflects the contract adjustment for which the Contractor believes the Postal Service is liable. If the Contractor is an individual, the certification shall be executed by that individual. If the Contractor is not an individual, the certification shall be executed by a senior company official in charge at the Contractor's plant or location involved; or by an officer or general partner of the Contractor having overall responsibility for the conduct of the Contractor's affairs. Claims less than $50,000 need not be certified.

(e) Any claim which is not disposed of by agreement shall be decided by the Contracting Officer who shall issue a decision in writing and shall mail or otherwise furnish a copy of the decision to the Contractor. For Contractor claims over $50,000, the Contracting Officer must decide the claim within 60 days or notify the Contractor of the date when the decision will be made. For Contractor claims of $50,000 or less, the Contracting Officer must render a decision within 60 days. The Contracting Officer's decision shall be final and conclusive and not subject to review by any forum, tribunal, or Government agency unless:

(i) The Contractor appeals such decision to the Postal Service Board of Contract Appeals within 90 days after the date the Contractor receives the Contracting Officer's final decision; or

(ii) The Contractor brings an action directly on the claim in the United States Claims Court within 12 months after the date the Contractor receives the Contracting Officer's final decision.

(f) The authority of the Contracting Officer under the Act does not extend to claims or disputes which other agencies are expressly authorized by statute or regulation to decide.

(g) The Postal Service shall pay interest on the amount found due on a Contractor's claim from the date the Contracting Officer receives the claim (properly certified, if required, in accordance with d, above), or from the date payment would otherwise be due, if that date is later, until the date of payment. Simple interest will be paid at the rate, established by the Secretary of the Treasury, which is applicable when the Contracting Officer receives the claim and then at the rate fixed by the Secretary for each successive six-month period in which the claim is pending.

(h) Except as the parties may otherwise agree, pending final resolution of a claim by the Contractor arising under the contract, the Contractor shall proceed diligently with the performance of the contract in accordance with the Contracting Officer's decision.

4. OFFICIALS NOT TO BENEFIT (July 1971)

No member of or delegate to Congress or resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom.

5. COVENANT AGAINST CONTINGENT FEES (July 1971)

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty the Postal Service shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

6. TERMINATION (July 1985)

This contract may be terminated by the Postal Service at any time upon 15 or more days written notice by the Contracting Officer to the Contractor. The Contractor, with the written consent of the Contracting Officer, may terminate this contract upon 15 or more days written notice to the Contracting Officer, and the consent of the Contracting Officer must not be withheld unreasonably.

7. CONFIDENTIALITY AND NON DISCLOSURE (July 1985)

The Contractor agrees to hold in trust and confidence all information obtained directly or indirectly in or through the files or records of the Postal Service, or disclosed in connection with this contract, and to disclose and use such information only in connection with and to the extent necessary for accomplishing the work required by the contract; provided, however, that the Contractor must not disclose any such information to a third party without the prior written consent of the Contracting Officer or an authorized representative of the Contracting Officer.

The Contractor must include the substance of this clause in any subcontracts under this contract.

The contractor, any of the contractor's personnel, and any subcontractor under this contract must not, for a period of two years after the expiration or termination of this contract, provide services to a third party which involve matters directly relating to the subject of this contract, without the prior written consent of the Contracting Officer.

8. INTELLECTUAL PROPERTY RIGHTS

All intellectual property rights evolving from studies, reports, or other data delivered under this contract shall be the sole property of the U.S. Postal Service. The contractor agrees to make, execute or deliver to the U.S. Postal Service any and all papers or other instruments in such terms and consents as may be required for the filing of any required instrument necessary for preserving an intellectual property right and does hereby assign and transfer to the U.S. Postal Service the entire right, title and interest in and to said intellectual property rights.

9. LIMITATION OF COST

(a) It is estimated that the total cost to the Postal Service for the performance of this contract will not exceed the amount set forth in the contract and the Contractor agrees to use his best efforts to perform the work specified in the contract within such estimated amount. If, at any time, the Contractor has reason to believe that the costs which he expects to incur in the performance of this contract in the next succeeding thirty (30) days, when added to all costs previously incurred, will exceed seventy-five percent (75%) of the amount then set forth in the contract, or if, at any time, the Contractor has reason to believe that the total cost to the Postal Service for the performance of this contract, will be greater or substantially less than the then estimated amount hereof, the Contractor shall notify the Contracting Officer in writing to that effect, giving his revised estimate of such total amount for the performance of this contract.

(b) Except as required by other provisions of this contract specifically citing and stated to be an exception from this clause, the Postal Service shall not be obligated to reimburse the Contractor for cost incurred in excess of the amount set forth in the contract, and the Contractor shall not be obligated to continue performance under the contract or otherwise to incur costs in excess of the amount set forth in the contract, unless and until the Contracting Officer shall have notified the Contractor in writing that such amount has been increased and shall have specified in such notice a revised amount which shall thereupon constitute the maximum amount for performance of this contract. No notice, communication or representation in any other form or from any person other than the Contracting Officer shall affect the amount of this contract. In the absence of the specified notice, the Postal Service shall not be obligated to reimburse the Contractor for any costs in excess of the estimated amount set forth in the contract, whether those excess costs were incurred during the course of the contract or as a result of termination. When and to the extent that the amount set forth in the contract has been increased, any costs incurred by the Contractor in excess of the amount prior to such increase shall be allowable to the same extent as if such costs had been incurred after the increase; unless the Contracting Officer issues a termination or other notice and directs that the increase be solely for the purpose of covering termination or other specified expenses.

Contract No. 104230-87-Z-0518
Finance No. 10-2050
Account No. 52359

UNITED STATES POSTAL SERVICE

This contract for the services of John T. Garrity, made this 5th day of November 1986, under the authority of PCM 3-204 by and between the United States Postal Service, hereinafter referred to as "the Postal Service" and Kendall Associates, P.O. Box 1344, New Canaan, CT 06840-1344 (06-1080326) hereinafter referred to as "the Contractor".

WITNESSETH:

WHEREAS, the Postal Service has a need for consultant services to assist the Postmaster General in a continuing review of postal organizational structure and management processes; and

WHEREAS, John T. Garrity is uniquely qualified by experience and education to provide these services,

NOW, THEREFORE, the parties mutually agree as follows:

1. The Contractor, as an independent Contractor and not an employee of the Postal Service, shall render to the Postal Service, as requested by the Contracting Officer or the Contracting Officer's Technical Representative (COTR) the following services by Mr. Garrity:

   a. Review will focus on, though not necessarily be limited to, the following organizations:

      - The Postmaster General's Office
      - Postal Service Headquarters
      - The Regional Offices
      - Representative Division Offices
      - Representative Management Sectional Centers

   b. Review will encompass, though not necessarily be limited to, the following management processes as they relate to the management structure:

      - Long-range Planning
      - Budgeting and Staffing
      - Product Development and Pricing
      - Management Information and Communications
      - Expense and Capital Expenditure Authorization
      - Research and Development Planning
      - External Affairs

The review will be limited to the management organization and process. It will not involve an evaluation of personnel or appraisal of previous decisions.

2. The Contractor shall render the aforementioned services as requested commencing November 1, 1986, and perform a maximum of 33 man-days of service through Fiscal Year 1987.

3. Such services may be noncontinuous and the period during which they are rendered may be within 180 calendar days after contract award and may be extended by an additional 180 calendar days at the option of the Postmaster General.

4. The Contractor shall be paid for services rendered hereunder at the rate of $900 per day (or part thereof).

5. The Contractor shall be reimbursed for approved travel and expenses incident to travel actually and necessarily incurred during the contract performance in the same manner and to the same extent as an Officer of the Postal Service. All expenses for travel reimbursement will be submitted on an actual expenses travel report.

6. The Contractor shall be paid on a monthly basis upon receipt of a properly executed invoice.

7. The maximum amount for which the Postal Service shall be liable for under the contract is $42,900.

8. No modification to this contract shall be recognized unless in writing and signed by the Contracting Officer.

9. This contract consists of 10 pages, including Annex A and PS Forms 7319-B and C attached hereto and made a part thereof.

In testimony whereof the parties hereto have submitted their names on the date indicated below.

By: John T. Garrity
John T. Garrity
Kendall Associates

11/5/86
Date

By:
Harold J. Dougherty
Contracting Officer
Office of Procurement
U.S. Postal Service

11-17-86
Date

REPRESENTATIONS AND CERTIFICATIONS

Page 3	Of 10
USPS Solicitation No.	104230-87-Z-0518
Date of Offer	

NAME & ADDRESS OF OFFEROR	*(No., Street, City, State & ZIP Code)* Kendall Associates, P.O. Box 1344 New Canaan, CT 06840-1344

The offeror makes the following representations & certifications as a part of the offer identified above.

INSTRUCTIONS	*(Check and complete all applicable boxes or blocks. The term 'offer' means bid where the procurement is advertised, and proposal where the procurement is negotiated.)* *NOTE.–Offers must set forth full, accurate, and complete information as required by this solicitation (including attachments). The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.*
1. **TYPE OF ORGANIZATION**	He operates as an ☐individual, ☐partnership, ☐joint venture, ☒corporation, ☐a nonprofit organization incorporated in the State of Connecticut
2. **REGULAR DEALER/ MANUFACTURER**	*(Check only for supply contracts where the offer exceeds $10,000.)* He is a ☐regular dealer in, ☐manufacturer of, the supplies offered.
3. **PARENT COMPANY & EMPLOYER ID NUMBER**	*(A parent company is defined as one which either* owns *or* controls *the activities and basic business policies of the offeror.* To own *another company means the parent company owns more than 50% of the voting rights in that company.* To control *another company, ownership is not required; the parent company formulates, determines, or vetoes basic business policy decisions of that company.) This control may be exercised through the use of dominant minority voting right, use of proxy voting, contractual arrangements or otherwise.* Is the offeror owned or controlled by a parent company? ☐ Yes ☒ No If the answer is 'Yes', the offeror must complete parts a, b, & c. If the answer is 'No' complete only part d. *(The Employer's Identification Number (I.D. #) is defined as the Federal Social Security No. used on Employer's Quarterly Federal Tax Return, US Treasury Form 941.)* a) Name of Parent Company: b) Main Office Address of Parent Co. *(No., Street, City, State & ZIP Code)*: c) Parent Co. ID No.: d) Offeror's ID No. 06-1080326
4. **BUY AMERICAN CERTIFICATE**	The offeror hereby certifies that each end product, except any end products he has listed below, is a domestic source end product *(as defined, in the clause entitled "Buy American Act")* and that components of unknown origin have been considered to have been mined, produced or manufactured outside the United States. Excluded End Products: Country of Origin:
5. **EQUAL OPPORTUNITY**	*(Check only if offer exceeds $10,000 in amount.)* He ☐ has, ☒ has not, participated in a previous contract or subcontract subject to the Equal Opportunity clause herein, the clause originally contained in Section 301 of Executive Order No. 10925, or the clause contained in Section 201 of Executive Order No. 11114; he ☐ has, ☒ has not, filed all required compliance reports, and representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained prior to subcontract awards. *(The above representation need not be submitted in connection with contracts which are exempt from the Equal Opportunity clause.)*
6. **EQUAL OPPORTUNITY AFFIRMATIVE ACTION PROGRAM**	*(Check only if offer exceeds $50,000 and offeror has 50 employees or more.)* The offeror represents that (a) he ☐ has developed and has on file, ☒ has not developed and does not have on file, at each establishment affirmative action programs as required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (b) he ☒ has not previously had contracts subject to the written affirmation action program requirement of the rules and regulations of the Secretary of Labor. *(The above representation need not be submitted in connection with contracts which are exempt from the Equal Opportunity clause).*

Page 4 of 10

7. CONTINGENT FEE	(a) He ☐ has, ☒ has not, employed or retained any company or person (other than a full-time bona fide employee working solely for the offeror) to solicit or secure this contract, and (b) he ☐ has, ☒ has not, paid or agreed to pay any company or person (other than a full-time bona fide employee working solely for the offeror) any fee, commission, percentage or brokerage fee, contingent upon or resulting from the award of this contract. If the offeror responds in the affirmative, he shall furnish, in duplicate, a completed Form 7319, *Contractor's Statement of Contingent or Other Fees*, and any other information as may be requested by the Contracting Officer. If offeror has previously furnished a completed Form 7319 to the office issuing this solicitation, he may accompany his offer with a signed statement (a) indicating when such completed form was previously furnished, (b) identifying by number the previous solicitation or contract, if any, in connection with which such form was submitted, and (c) representing that the statement in such form is applicable to this offer. *(For interpretation of the representation, including the term "bona fide employee," see Postal Contracting Manual, subparagraph 1-504.3.)*
8. CLEAN AIR & WATER CERTIFICATION	*(Applicable only if (i) the offer exceeds $100,000, or (ii) the offer is for an indefinite quantity and it indicates that orders for estimated quantities will exceed $100,000 in any year, or (iii) a facility to be used is listed on the EPA List of Violating Facilities due to a criminal conviction, or (iv) the contract is not otherwise exempt.)* The offeror (a) certifies that any facility to be utilized in the performance of this proposed contract ☐ is, ☐ is not, listed on the Environmental Protection Agency *List of Violating Facilities* as of the date of this offer, and (b) agrees to notify the Contracting Officer promptly if any communication is received from the Environmental Protection Agency prior to contract award indicating that any such facility is under consideration for inclusion on the List.
9. INDEPENDENT PRICE DETERMINATION	(a) By submission of this offer, each offeror certifies, and in the case of a joint offer, each party thereto certifies as to his own organization, that in connection with this procurement: (1) The prices of this offer have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other offeror or with any competitor; (2) Unless otherwise required by law, the prices set forth in this offer have not been knowingly disclosed by the offeror and will not knowingly be disclosed by the offeror, prior to opening, in the case of a bid, or prior to award, in the case of a proposal, directly or indirectly to any other offeror or to any competitor, and (3) No attempt has been made or will be made by the offeror to induce any other person or firm to submit or not to submit an offer for the purpose of restricting competition. (b) Each person signing this offer certifies that: (1) He is the person in the offeror's organization responsible within that organization for the decision as to the prices being offered herein and that he has not participated, and will not participate, in any action contrary to (a) (1) through (a) (3) above; or (2) (i) He is not the person in the offeror's organization responsible within that organization for the decision as to the prices being offered herein but that he has been authorized in writing to act as agent for the persons responsible for such decision in certifying that such persons have not participated, and will not participate, in any action contrary to (a) (1) through (a) (3) above, and as their agent does hereby so certify; and (ii) he has not participated, and will not participate, in any action contrary to (a) (1) through (a) (3) above. (c) This certification is not applicable to a foreign offeror submitting an offer for a contract which requires performance or delivery outside the United States, its possessions, and Puerto Rico. (d) An offer will not be considered for award where (a) (1), (a) (3), or (b) above, has been deleted or modified. Where (a) (2) above has been deleted or modified, the offer will not be considered for award unless the offeror furnishes with the offer a signed statement which sets forth in detail the circumstances of the disclosure and the head of procuring activity determines that such disclosure was not made for the purpose of restricting competition.
10. CERTIFICATION OF NONSEGREGATED FACILITIES	*(Applicable to (1) contracts, (2) subcontracts, and (3) agreements with applicants who are themselves performing federally assisted construction contracts, exceeding $10,000 which are not exempt from the provisions of the the Equal Opportunity clause. An offer will not be considered for award where this certification is applicable and it has been deleted or modified.)* By the submission of this offer, the offeror, applicant, or subcontractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. He certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The offeror, applicant or subcontractor agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. He further agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause; that he will retain such certifications in his files; and that he will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):
Notice to Prospective Subcontractors of Requirement for Certifications of Nonsegregated Facilities	A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontractor or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

PS Form 319-B (Reverse)

U.S. POSTAL SERVICE

REPRESENTATIONS AND CERTIFICATIONS

(Business Data)

Page 5	of 10
Name and Address of Offeror *(No. and Street, Apt. Suite No., City, County, State and ZIP + 4)* Kendall Associates, P.O. Box 1344, New Canaan, CT 06840-1344	Solicitation or Order No 104230-87-Z-0518
	Date of Offer or Order

The U.S. Postal Service is Cooperating With Other Agencies of the Federal Government in the Collecting of Data Concerning Contract Awards. The Offeror is Requested to Check the Appropriate Block(s) Contained on This Form.

NOTE: Offers MUST set forth full, accurate and complete information as required by this solicitation (including attachments). The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

Definitions

1. SMALL BUSINESS CONCERN. A small business concern for the purposes of Postal Service procurement is a concern, including its affiliates, which is independently owned and operated, is not dominant in the field of operations in which it is submitting an offer, and is of a size consistent with the standards set forth by **SBA** in CFR Part 121, or if no standard has been established, then of a size employing not more than 500 employees. *(Also see* **PCM** *Section 1, Part 7.)*

2. MINORITY BUSINESS ENTERPRISE. A minority business enterprise is a concern of which at least 51 percent is owned by, and of which the management and daily business operations are controlled by, one or more members of a minority group. *(For the purpose of this definition, minority group members are United States citizens who are black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, or Asian Indian Americans. "Native Americans" means American Indians, Eskimos, Aleuts, or native Hawaiians. "Asian-Pacific Americans" means those whose origins are in Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands, the Northern Mariana Islands, Laos, Kampuchea, or Taiwan. "Asian-Indian Americans" means those whose origins are in India, Pakistan, or Bangladesh.)*

3. WOMAN-OWNED BUSINESS. A woman-owned business is a business which is at least 51 percent owned, controlled, and operated by a woman or women. Controlled is defined as excercising the power to make policy decisions. Operated is defined as actively involved in the day-to-day management.

4. LABOR SURPLUS AREA. A geographical area which at the time of award is either a section of concentrated unemployment or underemployment, a persistent labor surplus area, or a substantial labor surplus area, as defined in this paragraph.

(a) Section of concentrated unemployment or underemployment means appropriate sections of States or labor areas so classified by the Secretary of Labor.

(b) Persistent labor surplus area means an area which is classified by the Department of Labor as an area of substantial and persistent labor surplus *(also called Area of Substantial and Persistent Unemployment)* and is listed as such by that Department in conjunction with its publication *Area Trends in Employment and Unemployment.*

(c) Substantial labor surplus area means an area which is classified by the Department of Labor as an area of substantial labor surplus *(also called Area of Substantial Unemployment)* and which is listed as such by that Department in conjunction with its publication *Area Trends in Employment and Unemployment.*

5. LABOR SURPLUS AREA CONCERN. A firm which will perform or cause to be performed a substantial proportion of a contract in a labor surplus area.

6. EDUCATIONAL OR OTHER NON-PROFIT ORGANIZATION. Any corporation, foundation, trust, or other institution operated for scientific or educational purposes, not organized for profit, no part of the net earnings of which inures to the profits of any private shareholder or individual.

Check as Many of the Following Blocks as are Applicable to the Entity Submitting This Offer

(✓) Check	Type of Business	(✓) Check	Type of Business
	Labor Surplus Area		Woman-Owned Business
X	Small Business		Educational or Other Non-Profit Organization
	Minority Business Enterprise		None of the Above Apply to This Entity

Company Representative

Printed Name and Title John T. Garrity, Director	Signature and Date Signed John T Garrity 11-5-86

PS Form 7319-C

ANNEX A

GENERAL PROVISIONS FOR CONSULTING SERVICE CONTRACTS

1. DEFINITIONS (April 1972)

As used throughout this contract, the following terms shall have the meaning set forth below:

(a) The term "Contracting Officer" means the person executing this contract on behalf of the U.S. Postal Service, and any other officer or employee who is properly designated Contracting Officer; and the term includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority.

2. ASSIGNMENT OF CLAIMS (July 1985)

No claim arising under this contract shall be transferred or assigned by the Contractor.

3. CLAIMS AND DISPUTES (May 1983)

(a) This contract is subject to the Contract Disputes Act of 1978 (P.L. 95-563, 41 USC 601-613).

(b) All disputes arising under or relating to this contract shall be resolved under this clause. References to a Disputes clause in other clauses of this contract shall be understood to be references to this Claims and Disputes clause.

(c) (i) "Claim," as used in this clause, means a written demand or assertion by one of the parties seeking, as a legal right, payment of money, adjustment or interpretation of contract terms, or other relief arising under or relating to this contract.

(ii) A voucher, invoice, or request for payment that is not in dispute when submitted is not a claim under the Act. However, where such submission is subsequently not acted upon in a reasonable time, or disputed either as to liability or amount, it may be converted to a claim under the Act.

(iii)A claim by the Contractor shall be made in writing and submitted to the Contracting Officer for decision. A claim by the Postal Service against the Contractor shall be in the form of a decision by the Contracting Officer.

(d) For Contractor claims of more than $50,000, the Contractor shall submit with the claim a certification that: (i) The claim is made in good faith; (ii) Supporting data are accurate and complete to the best of the Contractor's knowledge and belief; and (iii) The amount requested accurately reflects the contract adjustment for which the Contractor believes the Postal Service is liable. If the Contractor is an individual, the certification shall be executed by that individual. If the Contractor is not an individual, the certification shall be executed by a senior company official in charge at the Contractor's plant or location involved; or by an officer or general partner of the Contractor having overall responsibility for the conduct of the Contractor's affairs. Claims less than $50,000 need not be certified.

(e) Any claim which is not disposed of by agreement shall be decided by the Contracting Officer who shall issue a decision in writing and shall mail or otherwise furnish a copy of the decision to the Contractor. For Contractor claims over $50,000, the Contracting Officer must decide the claim within 60 days or notify the Contractor of the date when the decision will be made. For Contractor claims of $50,000 or less, the Contracting Officer must render a decision within 60 days. The Contracting Officer's decision shall be final and conclusive and not subject to review by any forum, tribunal, or Government agency unless:

(i) The Contractor appeals such decision to the Postal Service Board of Contract Appeals within 90 days after the date the Contractor receives the Contracting Officer's final decision; or

(ii) The Contractor brings an action directly on the claim in the United States Claims Court within 12 months after the date the Contractor receives the Contracting Officer's final decision.

(f) The authority of the Contracting Officer under the Act does not extend to claims or disputes which other agencies are expressly authorized by statute or regulation to decide.

(g) The Postal Service shall pay interest on the amount found due on [illegible] Contractor's claim from the date the Contracting Officer receives the claim (properly certified, if required, in accordance with d, above), or from the date payment would otherwise be due, if that date is later, until the date of payment. Simple interest will be paid at the rate, established by the Secretary of the Treasury, which is applicable when the Contracting Officer receives the claim and then at the rate fixed by the Secretary for each successive six-month period in which the claim is pending.

(h) Except as the parties may otherwise agree, pending final resolution of a claim by the Contractor arising under the contract, the Contractor shall proceed diligently with the performance of the contract in accordance with the Contracting Officer's decision.

4. OFFICIALS NOT TO BENEFIT (July 1971)

No member of or delegate to Congress or resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom.

5. COVENANT AGAINST CONTINGENT FEES (July 1971)

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty the Postal Service shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

6. TERMINATION (July 1985)

This contract may be terminated by the Postal Service at any time upon 15 or more days written notice by the Contracting Officer to the Contractor. The Contractor, with the written consent of the Contracting Officer, may terminate this contract upon 15 or more days written notice to the Contracting Officer, and the consent of the Contracting Officer must not be withheld unreasonably.

7. CONFIDENTIALITY AND NON DISCLOSURE (July 1985)

The Contractor agrees to hold in trust and confidence all information obtained directly or indirectly in or through the files or records of the Postal Service, or disclosed in connection with this contract, and to disclose and use such information only in connection with and to the extent necessary for accomplishing the work required by the contract; provided, however, that the Contractor must not disclose any such information to a third party without the prior written consent of the Contracting Officer or an authorized representative of the Contracting Officer.

The Contractor must include the substance of this clause in any subcontracts under this contract.

The contractor, any of the contractor's personnel, and any subcontractor under this contract must not, for a period of two years after the expiration or termination of this contract, provide services to a third party which involve matters directly relating to the subject of this contract, without the prior written consent of the Contracting Officer.

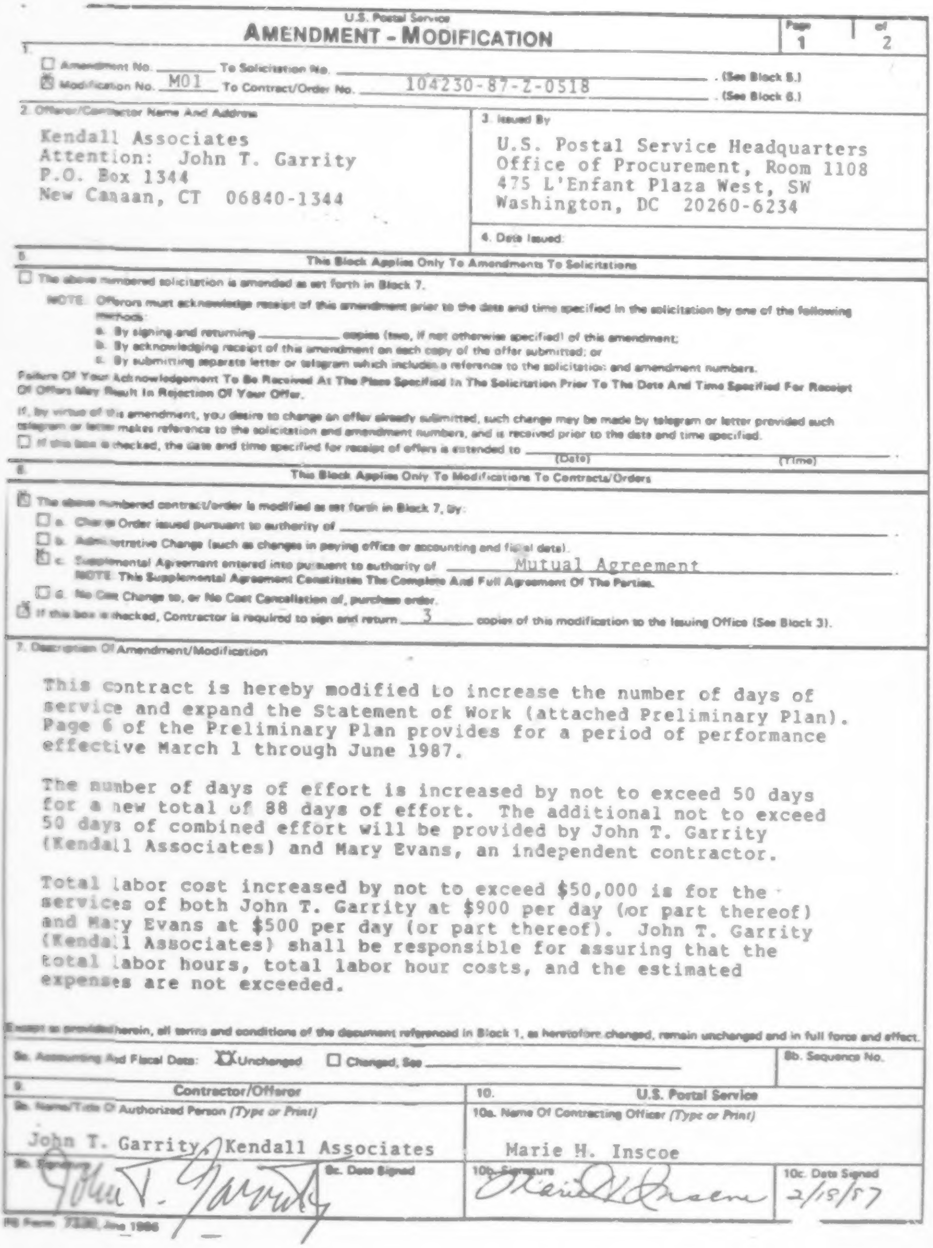
8. INTELLECTUAL PROPERTY RIGHTS

All intellectual property rights evolving from studies, reports, or other data delivered under this contract shall be the sole property of the U.S. Postal Service. The contractor agrees to make, execute or deliver to the U.S. Postal Service any and all papers or other instruments in such terms and consents as may be required for the filing of any required instrument necessary for preserving an intellectual property right and does hereby assign and transfer to the U.S. Postal Service the entire right, title and interest in and to said intellectual property rights.

9. LIMITATION OF COST

(a) It is estimated that the total cost to the Postal Service for the performance of this contract will not exceed the amount set forth in the contract and the Contractor agrees to use his best efforts to perform the work specified in the contract within such estimated amount. If, at any time, the Contractor has reason to believe that the costs which he expects to incur in the performance of this contract in the next succeeding thirty (30) days, when added to all costs previously incurred, will exceed seventy-five percent (75%) of the amount then set forth in the contract, or if, at any time, the Contractor has reason to believe that the total cost to the Postal Service for the performance of this contract, will be greater or substantially less than the then estimated amount hereof, the Contractor shall notify the Contracting Officer in writing to that effect, giving his revised estimate of such total amount for the performance of this contract.

(b) Except as required by other provisions of this contract specifically citing and stated to be an exception from this clause, the Postal Service shall not be obligated to reimburse the Contractor for cost incurred in excess of the amount set forth in the contract, and the Contractor shall not be obligated to continue performance under the contract or otherwise to incur costs in excess of the amount set forth in the contract, unless and until the Contracting Officer shall have notified the Contractor in writing that such amount has been increased and shall have specified in such notice a revised amount which shall thereupon constitute the maximum amount for performance of this contract. No notice, communication or representation in any other form or from any person other than the Contracting Officer shall affect the amount of this contract. In the absence of the specified notice, the Postal Service shall not be obligated to reimburse the Contractor for any costs in excess of the estimated amount set forth in the contract, whether those excess costs were incurred during the course of the contract or as a result of termination. When and to the extent that the amount set forth in the contract has been increased, any costs incurred by the Contractor in excess of the amount prior to such increase shall be allowable to the same extent as if such costs had been incurred after the increase; unless the Contracting Officer issues a termination or other notice and directs that the increase be solely for the purpose of covering termination or other specified expenses.



U.S. Postal Service

AMENDMENT - MODIFICATION

Page 1 of 2

1.
☐ Amendment No. ______ To Solicitation No. ______ . (See Block 5.)
☒ Modification No. M01 To Contract/Order No. 104230-87-Z-0518 . (See Block 6.)

2. Offeror/Contractor Name And Address

Kendall Associates
Attention: John T. Garrity
P.O. Box 1344
New Canaan, CT 06840-1344

3. Issued By

U.S. Postal Service Headquarters
Office of Procurement, Room 1108
475 L'Enfant Plaza West, SW
Washington, DC 20260-6234

4. Date Issued:

5. This Block Applies Only To Amendments To Solicitations

☐ The above numbered solicitation is amended as set forth in Block 7.

NOTE: Offerors must acknowledge receipt of this amendment prior to the date and time specified in the solicitation by one of the following methods:

- a. By signing and returning ______ copies (two, if not otherwise specified) of this amendment;
- b. By acknowledging receipt of this amendment on each copy of the offer submitted; or
- c. By submitting separate letter or telegram which includes a reference to the solicitation and amendment numbers.

Failure Of Your Acknowledgement To Be Received At The Place Specified In The Solicitation Prior To The Date And Time Specified For Receipt Of Offers May Result In Rejection Of Your Offer.

If, by virtue of this amendment, you desire to change an offer already submitted, such change may be made by telegram or letter provided such telegram or letter makes reference to the solicitation and amendment numbers, and is received prior to the date and time specified.

☐ If this box is checked, the date and time specified for receipt of offers is extended to ______ (Date) ______ (Time).

6. This Block Applies Only To Modifications To Contracts/Orders

☒ The above numbered contract/order is modified as set forth in Block 7, by:

- ☐ a. Change Order issued pursuant to authority of ______ .
- ☐ b. Administrative Change (such as changes in paying office or accounting and fiscal data).
- ☒ c. Supplemental Agreement entered into pursuant to authority of Mutual Agreement .
  NOTE: This Supplemental Agreement Constitutes The Complete And Full Agreement Of The Parties.
- ☐ d. No Cost Change to, or No Cost Cancellation of, purchase order.

☒ If this box is checked, Contractor is required to sign and return 3 copies of this modification to the Issuing Office (See Block 3).

7. Description Of Amendment/Modification

This contract is hereby modified to increase the number of days of service and expand the Statement of Work (attached Preliminary Plan). Page 6 of the Preliminary Plan provides for a period of performance effective March 1 through June 1987.

The number of days of effort is increased by not to exceed 50 days for a new total of 88 days of effort. The additional not to exceed 50 days of combined effort will be provided by John T. Garrity (Kendall Associates) and Mary Evans, an independent contractor.

Total labor cost increased by not to exceed $50,000 is for the services of both John T. Garrity at $900 per day (or part thereof) and Mary Evans at $500 per day (or part thereof). John T. Garrity (Kendall Associates) shall be responsible for assuring that the total labor hours, total labor hour costs, and the estimated expenses are not exceeded.

Except as provided herein, all terms and conditions of the document referenced in Block 1, as heretofore changed, remain unchanged and in full force and effect.

8a. Accounting And Fiscal Data: ☒ Unchanged ☐ Changed, See ______
8b. Sequence No.

9. Contractor/Offeror	10. U.S. Postal Service
9a. Name/Title Of Authorized Person *(Type or Print)* John T. Garrity, Kendall Associates	10a. Name Of Contracting Officer *(Type or Print)* Marie H. Inscoe
9b. Signature John T. Garrity	10b. Signature Marie H. Inscoe
9c. Date Signed	10c. Date Signed 2/18/87

PS Form 7330, June 1986

Contract 104230-87-Z-0518
Modification M01
Page 2 of 2

Total expenses are increased by an estimated $25,000 (50 percent of the professional fees). John T. Garrity will continue to be paid for expenses as an Officer of the Postal Service. All his expenses will be submitted on an actual expenses travel report as stated in Kendall Asssociates' basic contract. Mary Evans will be paid at the rate of $250 per day for expenses. This will include car rental, taxi, hotel and subsistence. In addition, she shall be reimbursed for air fare which shall not exceed tourist class except where such transportation is not available.

John T. Garrity (Kendall Associates) will provide payment to Mary Evans for services rendered from the $50,000 labor cost increase and provide payment for her incurred expenses from the $25,000 expenses increase.

Basic Contract	M01 Estimated Increase	New Estimated Grand Total
$42,900	$75,000	$117,900

For Postal Service Use Only
Finance No. 10-2050
Account No. 52359

KENDALL ASSOCIATES, INC.
P. O. BOX 1344
NEW CANAAN CONNECTICUT 06840
AREA CODE 203 966-8070

August 30, 1986

Mr. Preston R. Tisch
Postmaster General
U.S. Postal Service Headquarters
Washington, DC   20260-0010

Dear Sir:

With this letter I submit the draft reports prepared during the program of Concentrated Area Reviews (CARs). This program was carried out over eight months beginning mid-January 1986. It had as its basic objective to identify opportunities and initiate actions to accelerate Postal Service progress toward enhanced management capacity and economic viability through superior service at competitive prices and costs.

As you will see, the draft reports differ not only as to subject matter but in style as well. This is so because the reports were drafted at different times and were used in different ways. Some, for example, are outline reports used in oral presentations. All reports have been revised to incorporate useful comments and suggestions. However, until a decision is reached on report distribution, it seemed to serve no real purpose to rewrite the reports just to have a consistent editorial style.

The reports represent a prodigious amount of creative hard work on the part of many Postal Service personnel. By way of acknowledging their contribution, behind each report there is a listing of CAR project staffing. This list includes the CAR project manager and assigned CAR team member(s) together with the positions from which they were assigned to the CAR Team. It also includes the responsible USPS officer and department leader who were most involved in facilitating the study and will be most involved in implementing the recommendations.

Taken together, the reports lay out a comprehensive, demanding program but one we believe essential if the Postal Service is to achieve its goal and meet its public service responsibilities. In all, the reports contain more than [illegible] specific recommendations. By and large, they flow from seven management concepts:

1. Structure the organization to delegate day-to-day decisions downward into the operating organization. More broadly involve senior managers in corporate (i.e., interfunctional) management.

2. Support managers in their broadened responsibilities by substantially upgrading management information and management development programs.

3. Provide more and better operating systems and facilities while making more effective utilization of existing resources, both internal and external.

4. Foster innovation consistent with essential systems integrity. Capitalize on the American talent for improvisation.

5. Convert from a process driven organization to a more market-oriented culture.

6. Make reasonably available the financial resources required.

7. Grant authority for key decisions sufficient to hold management accountable for end results.

Implementation of [illegible] recommendations is well underway. Recommendations on organization structure in Headquarters and the field have already been put into effect. Plans are made toward implementing the recommendations from the other [illegible] projects.

As with all programs, continuing CAR success will require the policy direction, financial support and leadership of the Postmaster General and his senior colleagues. In fact, several critical dimensions of the program depend on the Postmaster General's personal leadership. These include the issues involved in updating legislative and regulatory constraints to present economic, market and public service needs.

I am pleased to have been associated with the CAR program. Throughout, it has had management interest and support. The Postal Service has come a long way from the 1960's when it was characterized as unmanageable as a government department. With the program outlined, the Postal Service will increasingly continue to provide a vital public service in a businesslike way.

Respectfully submitted,

John T. Garrity

John T. Garrity

Attachments

CONCENTRATED AREA REVIEWS (CARs)

INTRODUCTION TO THE CAR REPORTS

AUGUST 1986

RESTRICTI

INTRODUCTION TO THE CAR DRAFT REPORTS

On January 24, 1986, Postmaster General Casey launched a program of Concentrated Area Reviews (CARs). The purpose of this program was to identify opportunities and initiate actions that would accelerate Postal Service progress towards enhanced management capacity and economic viability through superior service at competitive prices and costs.

Over its course, the CAR program included 15 projects covering 13 subject areas. It has involved 15 postal managers as full-time team members and hundreds more from all functions and levels of the Postal Service as interviewees.

CAR Projects And Team Assignments

#	Title	CAR Project Leader
	PROGRAM MANAGER	R. Strasser
1.	Management Structure, Headquarters, Regions and Districts	K. Lynn
2.	Cash and Financial Management	N. Block
3.	Air Transportation	K. Lynn
4.	Facilities	M. Gump
5.	Technology	H. Donaldson
6.	Management Structure, Operating Centers	K. Lynn
7.	Operations Alternatives	E. Fleming
7A.	Corporate Management	P. Gibert
8.	Marketing	R. Cellino B. Downey
8A.	Services and Prices	K. Uemoto
9.	Compensation and Productivity	V. Drumb P. Garwood
10.	Management Information	M. DeGroot R. Weirich
11.	Management Development and Craft Training	R. Portmann R. Sheehan

It also included extensive interviews and briefings with other informed individuals. Table 1, CAR Program Calendar (at the end of this introduction), includes 11 presentations to the Board of Governors, Senior Assistant and Regional Postmasters General, the Assistant Postmasters General postal management association officials and a review with Postmaster General Tisch shortly after he took office. Copies of these presentations, as well as the CAR Follow-Through Program listed in the calendar, have been submitted previously to the Postmaster General, Deputy and Associate.

Though our interviews were extensive and far ranging, the program was restricted to the Postal Service and its internal activities. Thus we did not interview the Governors, the Postal Rate Commission, the Congress, congressional staff or Postal Service unions.

PROGRAM DESIGN CRITERIA

Despite the variety of subject matter and audiences, the CAR program as a whole has been patterned to a common design and has followed a common approach in developing conclusions and recommendations. These elements of commonality have been the bright red threads weaving the many CAR project strands into a single program fabric.

Nine criteria were followed in the design and conduct of the CAR program:

1. Focus on key issues and high-leverage opportunities in areas critical to long-term Postal Service success. (Selection of an area for CAR Review indicated only its importance, not that it was a problem area.)

2. Concentrate on creating value through lasting, fundamental change. Avoid quick fixes and short-term cost reduction.

3. Staff CAR with experienced Postal Service executives drawn from a variety of professional and technical backgrounds. This required more time for team organization, indoctrination and direction. However, it built in operating background, program insights, and, most importantly, ongoing commitment to CAR implementation.

4. Complete CAR projects within tight time constraints. This helped to sharpen the focus on fundamentals and heighten program purpose.

5. Draw on prior studies and extensive interviews in identifying key issues and opportunities. The tight time frame did not permit CAR to do much in the way of original research.

6. Help set the course, not steer the ship. CAR was to recommend change but leave implementation to the Postal Service organization.

7. Create the climate for implementation. Move with dispatch. Minimize disruption and uncertainty. Avoid organization overload. Be equitable and be perceived as equitable in managing inevitable disruptions.

8. Keep parties-at-interest appropriately informed every step of the way. Obviously it was necessary to stay in touch with Postal Service Governors and personnel. But many others have an informed interest in USPS--Congress, mailers, and management associations. Thus, we tried to keep all parties appropriately informed, not only to benefit from their insights, but also to help ensure that CAR recommendations were a "non-event."

9. Develop recommendations which will achieve CAR objectives within reasonably available resources and consistent with the corporate requirements and constraints that flow from the nature of the U.S. Postal Service.

An appreciation of these requirements and constraints is essential to understanding the Postal Service and the framework of the CAR recommendations. Thus we summarize them in the section following.

Corporate Requirements And Constraints:

The U.S. Postal Service is an enterprise created by the Postal Reorganization Act of 1970 to provide a public service in a businesslike manner. Institutionally it is an independent entity of the Federal Government and subject to congressional oversight and control. It is governed by a Board consisting of nine governors appointed by the President to nine-year terms and the Postmaster General and Deputy each selected by the Board. The Postmaster General is the Chief Executive Officer but not the Chairman of the Board.

Under the Private Express Statutes, the Postal Service has the exclusive power to deliver letters (i.e., messages directed to a specific person or address and recorded in or on a tangible object). In addition, it offers in competition with private organizations some "unprotected service" (Parcel Post and Express Mail), but it is effectively blocked from the faster-growing, electronic segments of the message market. In all, it offers five classes of service internationally and nationally on a uniform basis through a single operating system.

Postal rates are effectively set by recommendation of an independent Postal Rate Commission. For each class and subclass of service, rates must cover attributable costs. Rates are set uniformly, but volume mailers can earn substantial discounts by preparing mail before entering it into the mailstream. These discounts are based on savings to the Postal Service. Given the rate-setting process, rates are set inflexibly for 18 months at a time.

More than 90% of Postal Service revenue comes from transactions in which an organization (business, government, not-for-profit) is involved. However, its public image is importantly determined by household and employee reaction. Under the reorganization, the Postal Service inherited the Federal Government compensation structure, benefits and wage rates (along with an 8% incremental wage increase). With craft personnel these are subject to collective bargaining under compulsory arbitration.

At the time of the reorganization the Postal Service received 24% of its revenue from government appropriation. Today it receives funds only for services mandated by the government (e.g., free or reduced rate mail for nonprofit organizations). The Federal Government continues to contribute to the Civil Service Retirement Fund and towards health benefits for postal annuitants.

Postal Service financial results are included in the Federal budget. Through 1984, results were reported based on Generally Accepted Accounting Principles (GAAP), by which investments in plant and equipment with an extended life were capitalized and only depreciation included in annual results. Today the Postal Service is required to report to the Office of Management and Budget (OMB) on a cash basis, which makes no distinction between capital investment and operating costs. Thus, unless net income exceeds $1 billion, deficits will always be reported using this methodology.

By law the Postal Service is required to break even on a cumulative basis. It may not retain earnings or build equity to enable it to borrow private funds for essential capital purposes.

In practice the Postal Service has to finance its capital program through the United States Treasury. Cumulatively the Postal Service must stay under $10 billion, a fixed dollar debt ceiling established in 1970. The Reorganization Act also requires the Postal Service to use the Treasury whenever it temporarily invests surplus funds.

Under present, 16 years old legislation, Postal Service management operates under divided authority and accountability for its most critical responsibilities--establishing services and setting prices, financing its capital program, managing productivity, and establisning policy direction.

PROGRAM APPROACH:

In carrying out the CAR program, each project followed a series of 10 common steps. Briefly these were:

1. Select the CAR project area.
2. Prepare a project profile summarizing project purpose and scope; why it was selected; CAR Team assignments; and the Postal Service executive and department manager with on-going responsibility for the project area.
3. Review prior analyses, past reports, and current statements.
4. Solicit comments and suggestions from responsible informed sources.
5. Compile a comprehensive list of issues and opportunities. Identify legislative and other requirements and constraints.
6. Prepare a project plan covering individuals to be interviewed, diagnostic approach to be followed, analyses to be prepared, hypotheses to be considered, etc.
7. Execute the project plan.
8. Develop conclusions. Prepare recommendations.
9. Review recommendations within CAR program team, with the responsible Postal Service executive and with senior management. As warranted, re-examine findings and conclusions, and revise recommendations.
10. Present CAR report to the Postmaster General, Deputy and Associate.

ORGANIZATION OF REPORTS:

The CAR reports following are all labeled "DRAFT." This is so because some management reviews remain to be made (e.g., the Assistant Postmasters General). However, CAR conclusions and recommendations have been substantively reviewed by senior Postal Service management, and implementation is being planned or is well under way.

For convenience of reference, the reports are ordered by project number (CAR #1 and #6 recommendations on organization have been combined into one report). However, these numbers derive more or less from the sequence in which the projects were undertaken. To read the reports in a sequence that reflects the underlying management concepts discussed in the covering letter, refer to the list at the end of this introduction.

In all, the reports contain more than 80 specific recommendations. They are of three types: (1) Hard recommendations that call for specific change. For example, the organization recommendations are "hard." (2) Process recommendations that lay out a process which will produce hard recommendations in the future. The recommendations to establish marketing, training and engineering test centers in the field on a competitive basis are of this category. (3) Recommendations for future study in areas beyond the scope of CAR. (e.g., the pricing process and interaction with the Postal Rate Commission).

Taken together, these recommendations comprise a comprehensive, demanding program. However, we believe this program is essential for the Postal Service as it seeks to achieve its goals and meet it responsibilities to provide a public service in a businesslike way.

CAR Project Listing By Management Concept

1. Overhaul management organization structure and process:
   - CAR #1, Organization; headquarters, regions, districts.
   - CAR #6, Organization; divisions, service centers.
   - CAR #7A, Corporate Management.
2. Upgrade management support:
   - CAR #10, Management Information Systems
   - CAR #11B, Management Development
3. Strengthen Operating resources and resource utilization:
   - CAR #3, Air Transportation
   - CAR #4, Facilities
   - CAR #5, Technology
   - CAR #7, Operations Alternatives
   - CAR #9, Compensation & Productivity
   - CAR #11A, Craft Training
4. Foster innovation:
   - CAR #5, Technology
   - CAR #7, Operations Alternatives
   - CAR #8, Marketing
   - CAR #11A, Craft Training
5. Increase market orientation:
   - CAR #8, Marketing
   - CAR #8A, Services and Prices
6. Provide the financial resources:
   - CAR #2, Cash and Financial Management
7. Grant sufficient management authority:
   - CAR #2, Cash and Financial Management
   - CAR #8A, Services and Prices
   - CAR #9, Compensation and Productivity

TABLE 1

CONCENTRATED AREA REVIEWS (CARS)

CAR PROGRAM CALENDAR

January 24, 1986
Postmaster General Casey announces program of Concentrated Area Reviews (CARs). Ten areas identified for concentrated review. John Garrity, Kendall Associates retained as Program Director. Richard J. Strasser, Jr., assigned as Program Manager. Four other team members assigned.

February 3, 1986
Initial report to Board of Governors on CAR program purpose, concept, organization and approach.

February 4, 1986
Brief officials of management associations--National Association of Postal Supervisors, National Association of Postmasters of the United States; National League of Postmasters.

February 19, 1986
Report to Senior Assistant and Regional Postmasters General on field reorganization--creation of divisions, elimination of districts, reorganization of regions. A committee of RPMGs tasked to implement field reorganization.

February 24, 1986
Brief congressional staff members on CAR purpose, approach and status.

March 3, 1986
Progress report to Board of Governors on field reorganization. Report on proposed Headquarters reorganization including creation of two positions, Associate Postmaster General and Senior Assistant Postmaster General for Marketing and Communications.

March 18, 1986
Postmaster General's report on CAR reorganization to House Committee on Post Office and Civil Service.

April 7, 1986
Mid-Course Review with Board of Governors. Decision to proceed to full scope of CAR programs (Phase II). Realigned projects. Increase CAR team for replacement and expansion.

May 5, 1986, & May 7, 1986
With Senior Assistant and Regional Postmasters General, review project profiles and status of all 15 CAR projects. Team now fully staffed with 15 USPS personnel.

May 31, 1986
Brief officials of the management associations.

June 26, 1986
Status Report to Senior Assistant and Regional Postmasters General.

July 7, 1986
Progress report to Board of Governors. Review recommendations on eight CAR projects: Field Management (CAR #6), Headquarters Management (CAR #1), Corporate Management (CAR #7A), Facilities (CAR #4), Technology (CAR #5), Air Transportation (CAR #3), Operations Alternatives (CAR #7), and Cash and Financial Management (CAR #2).

August 5-6, 1986
Potomac meeting with Senior Assistant and Regional Postmasters General. Present recommendations on all 15 CAR projects.

August 14, 1986
Submit Follow-Through Program for CARs to Executive Committee.

August 25, 1986
Review the CAR program and recommendations with the new Postmaster General, P. Robert Tisch.

September 5, 1986
Repeat August 5, Potomac presentation to Assistant Postmasters General. Announce Program Area Committee assignments and schedules.

The reports following were drafted during the program of Concentrated Area Reviews (CARs). They are not a complete record of program findings and recommendations or of the discussions in connection with these reports. They are intended for predecisional review by U.S. Postal Service management. No part may be circulated, quoted or reproduced for distribution outside the U.S. Postal Service without prior permission.

CONCENTRATED AREA REVIEW

MANAGEMENT STRUCTURE IN HEADQUARTERS, REGIONS, DISTRICTS (CAR #1) AND OPERATING CENTERS (CAR #6)

MARCH 1986

(Revised August 1986)

RESTRICTED

REPORT ON CONCENTRATED AREA REVIEWS #1 AND #6

MANAGEMENT ORGANIZATION IN HEADQUARTERS AND THE FIELD

PURPOSE OF REPORT

- To present CAR recommendations on management structure at Headquarters, regions, districts and operating centers.
- For administrative convenience we divided the review of organization structure into two CARs (#1 and #6). One was more focused on field organization; the other on Headquarters organization.
- However, we dealt with the organization structure as a whole to ensure consistency from level to level.

FIELD ORGANIZATION:

CAR Objectives:

1. Improve and accelerate management decision making.
2. Ensure a responsive organization.
3. Improve management communications.
4. Enhance management development and career satisfaction.

Approach:

- Consider not only organization structure, but management process and culture as well.
- Build from the bottom. Locate the general management "least common denominator;" i.e., the organization unit closest to the "firing line" large enough to afford the full range of management experience needed to exercise significant decision-making authority.
- Move management from the higher echelons to the general management least common denominator.
- Revise delegations and management processes accordingly.

FIELD ORGANIZATION (cont.):

Scope:

- o 91,000 U.S. Postal Service non-bargaining management and staff positions.
  - For the 8,800 management/staff positions in Headquarters, Headquarters field support units, region offices and district offices, the review considered both chain-of-command and organization structure.
  - For the 82,000 management and staff positions in the operating units (MSCs and AOs), only chain-of-command was considered in this review.
  - The review did not go below the department level.
  - It did not become involved with titles.

FIELD ORGANIZATION (cont.):

MSC Management Structure:

- There are 219 management sectional centers (MSCs) with 35,000 management/staff positions:
  - 29,100 associate offices with 47,000 management/staff positions report to these MSCs (133 per MSC).
  - these MSCs report to 38 district offices (6 per district)
- An extensive U.S. Postal Service study of associate offices management (June 1985) concluded that the reporting relationship between associate offices and MSCs need not be changed.
- A second study (Business Policy Subcommittee report, July 1985) concluded that the MSCs are "the key operating management unit of the Postal Service." We concur.
- However, there is a sharp distinction between the smaller MSC (below V) and larger MSC (V and above).
- Given their size (on average, 325 management/staff positions) and level of management skills (EAS 22 and up), the MSCs V and above are full-scale general management units.
- Thus, we view these MSCs as the general management "least common denominator" and recommend organizing all post offices, stations/branches, bulk mail facilities, detached units, AMFs and AOs under the large MSCs.

FIELD ORGANIZATION (cont.):

MSC Management Structure (cont.):

- o We further recommended that:
  - the MSC reorganization be "cost neutral" and "position neutral."
    - -- Recent "roll-ups" (typically very small MSCs) have each saved $300,000 per year by reclassifying the "rolled-up" MSC to AO status.
    - -- We recommend no automatic reclassification in this reorganization.
  - the reorganization give reasonable consideration to state boundaries in MSC selection criteria.

FIELD ORGANIZATION (cont.):

District Office Management Structure:

- There are 38 district offices in five regions.
- The RPMG's report on district offices in November 1985:
  - defined district offices as the control arm of the region.
  - proposed to eliminate the district office as a separate organization level.
- We are told that it was subsequently decided to retain the districts with a staff of four.
- We have recommended merging the functions of the 38 districts into the major MSCs to be renamed divisions.
  - It puts district staff skills at the firing line.
  - It makes the divisions even more management self-sufficient.
  - It eliminates the next higher management layer for the divisions and their 10,000 AOs (i.e., 64% of the work force.)
- We have estimated no net reductions in the present 342 district positions.

FIELD ORGANIZATION (cont.):

Region Office Management Structure:

- There are five regional offices with a total of 1840 management/staff positions reporting to Headquarters.
- To our knowledge, the region structure has not been studied since the 1971 reorganization.
- Over the years, regional office staffs have developed to:
  - analyze and direct the service, productivity and costs of MSCs. Over the last 10 years, the MSCs have declined in number (from 385 to 219). However, they have grown in size, and this function has remained about the same.
  - provide administrative support and/or direction to functions and activities outside the scope of the districts and MSCs (e.g., TMOs; third-level grievances.)
  - provide specialized operating services and support to the MSCs (e.g., technical aspects of rural delivery compensation).
  - initiate and implement projects to improve field performance.
  - serve as the field-management intelligence arm to stimulate Headquarters development of needed programs and/or to modify Headquarters' programs to fit field realities.

FIELD ORGANIZATION (cont.):

Region Office Management Structure (cont.):

- o In almost every interview, we heard of too much paperwork, needed management tools, cumbersome procedures, lost opportunities and interminable delays.
- o In most interviews, regional office personnel stressed innovations as their major contribution.
- o Under the division concept, this basic shift in the region office role will accelerate.
  - Regional management. supported by Headquarters and Division staff, will focus on projects and programs to improve field performance and headquarters programs.
  - The region overview function will shrink, even with twice the number of reporting Divisions as formerly reporting districts (16 versus 8).
    - -- the number of reporting MSCs drops from 220 to 80 divisions.
    - -- the divisions will have the staffs to carry out performance overview and analyses required.

FIELD ORGANIZATION (cont.):

Region Office Management Structure (cont.):

- o In short:
  - we see the Regional Postmasters General (RPMGs) less as directors of current field activities and more as Assistant Deputy Postmasters General, supported by small analytical staffs, serving as catalysts for improvements to field operations.
  - Under this concept, roughly 1300 of the 1800 regional office non-bargaining positions would be reassigned to divisions or to Headquarters functional departments or eliminated once the division reorganization settled into place. (Our summary assumes no elimination.)

FIELD ORGANIZATION (cont.):

Summary of Field Recommendations:

o In summary, we have recommended for the field:

1. Merge district functions into the MSCs. Close the 38 district offices.
2. Organize the 219 MSCs together with their associate offices under approximately 80 divisions. Do not, reclassify the other 139 MSCs as associate offices.
3. Reorient regional management to field management improvement.
4. Redeploy roughly 1300 regional positions to divisions and/or to system functional management units.
5. Overhaul management delegations and processes in line with the structural reorganization.

FIELD ORGANIZATION (cont.):

Summary of Field Organization Benefits:

- From this demanding program we see the following benefits:
  - Management skills are brought closer to 64% of the work force.
  - Decisions should accelerate.
  - Communications lines are shortened.
  - Career satisfaction should be enhanced.
  - The most experienced senior operations executives will be reoriented from supervision of day-to-day activities to improvements in service and performance.

HEADQUARTERS ORGANIZATION:

- From our interviews and reviews on Headquarters organization, two conclusions stand out:
  1. The U.S. Postal Service lacks the top management capacity to carry out its basic roles.
  2. Changes in management structure appear less necessary than changes in management process and climate.
- We first comment on these conclusions and then present our recommendation on the Headquarters organization.

HEADQUARTERS ORGANIZATION (cont.):

Top Management Capacity:

- We see four basic roles that USPS Headquarters must play:
  1. Meet the Postal Service's core responsibilities and maintain its key relationships.
  2. Ensure the Service's overall effectiveness and integrity.
  3. Provide leadership and support to Postal Service operations.
  4. Advance the development of the Postal Service system.
- U.S. Postal Service core responsibilities are laid down in the Postal Reorganization Act and in subsequent legislative actions. For example:
  - Universal service.
  - Uniform First-Class rate.
  - Regular postal service to rural and small communities regardless of economics.
  - No price changes without public evidentiary proceedings.
  - Compulsory collective bargaining.

HEADQUARTERS ORGANIZATION (cont.):

Top Management Capacity (cont.):

- o From these legislated responsibilities and the nature of postal services flow a host of key relationships:
  - The Board of Governors
  - Member of Congress individually and through the committee structure including:
    - -- The House Committee on Post Office and Civil Service and two of its subcommittees (Postal Operations and Services; Postal Personnel and Modernization.) The House Appropriations subcommittee on Treasury, Postal Service and General Government.
    - -- The Senate Committee on Governmental Affairs and its subcommittee Civil Service, Postal Service, and General Services. The Senate Appropriations subcommittee on Treasury, Postal Service and General Government.
    - -- The General Accounting Office.
  - The Executive Branch including:
    - -- The Postal Rate Commission
    - -- Office of Management and Budget
    - -- State Department
    - -- Federal Financing Bank
    - -- Department of Justice
    - -- Office of Personnel Management
    - -- Bureau of Printing and Engraving
    - -- Office of Procurement Policy
    - -- Department of Labor
    - -- U.S. Customs Service
  - Foreign Postal Services
  - Public and trade press
  - Employees, unions and associations
  - Large mailers and mailer organizations
  - The general public
  - The investment community
  - The message and data communications industry

HEADQUARTERS ORGANIZATION (cont.):

Top Management Capacity (cont.):

- Effectively managing these responsibilities and relationships is more critical, complex, and demanding of Chief Executive Officer (CEO) time than in any private organization. (In USPS we estimate that the equivalent of 200 positions is devoted to administering these relationships.)
- Additionally the Postmaster General as CEO carries direct responsibility for overall service effectiveness and integrity.
- Consequently, the Postmaster General must:
  - delegate functions which are often reported to the CEO in the more typical situation.
  - rely more on top management colleagues for operations leadership and system development.

HEADQUARTERS ORGANIZATION (cont.):

Structure/Process/Culture:

- Management behavior can be affected by altering organization structure, management process and/or institution culture.
- The field recommendations focused on organization structure and culture, changing management process largely as a by-product.
- Except at the very top, we recommend few changes in Headquarters' organization.
- This does not mean that Headquarters has or does function perfectly on every issue and in every aspect.
- However, we recommend only limited reorganization at this time.
    - we wish to distract as little as possible from establishing the divisions.
    - Headquarters and field support units will take on added functions with the reorientation of the regional offices.
    - process changes, including improved interfunctional communications, will likely yield better results. (This will be the subject of CAR #7A, Corporate Management.)

Organization Recommendations:

- As discussed, the Postmaster General, as Chief Executive Officer, bears direct responsibility for the overall effectiveness and integrity of the Postal Service and its core responsibilities and key relationships.
- Given the demands of these priorities, we recommend that only five officer positions report to him instead of the present eight.
- The sections following cover our recommendations first on his office and then on the two senior positions we recommend report to him.

HEADQUARTERS ORGANIZATION (cont.):

Office of the Postmaster General:

- We recommend three functional departments reporting to the Postmaster General:
  - The Law Department to provide principal assistance to the Postmaster General in carrying out his role for core responsibilities and key relationships.
    - With this assignment we would move the Government Relations function to the Law Department.
  - Finance:
    - to assist in monitoring overall effectiveness and integrity.
    - to provide principal assistance in relations with the Postal Rate Commission, the U.S. Treasury and the investment community.
    - additionally, Planning would be moved to Finance.
  - The Inspection Service to assist in monitoring overall effectiveness and integrity.

HEADQUARTERS ORGANIZATION (cont.):

Office of the Postmaster General (cont.):

- Reassigned outside the Office of the Postmaster General would be:
  - Employee & Labor Relations
  - Public & Employee Communications
- In brief, these recommendations should strengthen staff effectiveness and reduce Postmaster General overload. However, they would make life more difficult for an already overloaded Deputy Postmaster General (DPMG).
- Thus we recommend creation of a third top management position. Together with the Postmaster General and the Deputy, an Associate Postmaster General would comprise a top management triad with each member responsible for an essential Headquarters role.

Postmaster General - Core responsibilities and relationships; overall integrity and effectiveness.

Deputy PMG - Postal Service Operations

Associate PMG - Postal Service Systems Development

HEADQUARTERS ORGANIZATION (cont.):

Deputy Postmaster General:

- The basic role of the Deputy is to:
  - provide leadership to 800,000 field postal employees at 30,000 locations.
  - enhance the service, productivity and financial performance of postal resources (physical, human and financial) as they substantially exist today.
- Reporting to the Deputy and key to this role are the five Regional Postmasters General (RPMGs) in their reconstituted roles.
- Also reporting to the Deputy will be the Operations Support Group including Delivery Services, Mail Processing, and Engineering and Technical Support.
- This will reduce the number of direct reporting positions from eight to six. However, the more fundamental change we seek is in concept and culture.

HEADQUARTERS ORGANIZATION (cont.):

Associate Postmaster General:

- o The third top management position is the Associate Postmaster General.
- o The basic role of this position is to advance the development of the postal service as a system by:
  - attracting, motivating, training, rewarding and retaining productive employees.
  - applying new technical and information technology.
  - providing cost-effective buildings and equipment in a timely manner.
  - expanding markets, services and productive industry relations.
- o This is reflected in the organization we recommend for the Associate:
  - Employee and Labor Relations is transferred from the Office of the Postmaster General.
  - Marketing is elevated to Senior Assistant Postmaster General (SAPMG) status and enhanced by the addition of Public & Employee Communications.
  - The Facilities and Supply Group is responsible for Real Estate and Buildings, and Procurement and Supply.
  - The Management Information and Research Technology Group includes Technology Resources and Information Resource Management.

HEADQUARTERS ORGANIZATION (cont.):

Summary of Headquarters Recommendations:

1. Expand top management capacity by the addition of a third executive management position.
2. Focus executive management capacity, together with supporting functional management, on the four essential roles that USPS Headquarters must play:
   - Core responsibilities and key relationships.
   - Overall service effectiveness and integrity.
   - Operations service, productivity and cost.
   - Postal Service system development.
3. Reduce the number of functions reporting directly to the Postmaster General and Deputy.
4. Elevate Marketing and Communications to group status under a Senior Assistant Postmaster General.

SUMMARY OF RECOMMENDATIONS:

- CARs #1 and #6 have resulted in fundamental changes:
  - expanded top management capacity
  - a Headquarters organization focused on essential tasks
  - reorientation of senior field management
  - elimination of administrative layers
  - relocation of operating management skills closer to the work place
  - a new corporate culture
- As with all change, this will not be painless and will require creative hard work.
  - 38 district offices are to be closed
  - approximately 1,600 people will be displaced
  - managers must adapt to new roles and responsibilities.
- However, we have taken all reasonable steps to create a climate conducive to change:
  - wide participation in the change planning process under the Regional Postmasters General.
  - no disruptive, short-term cost reduction.
  - sensible relocation and early retirement benefits.
- And whatever the pain, we are convinced the changes are warranted, for they will result in:
  - better, faster management decision-making.
  - improved management communications.
  - a better-focused organization more responsive to customer service needs and economic return.
  - enhanced management development and career satisfaction.

CONCENTRATED AREA REVIEW #1 AND #6

ORGANIZATION AT HEADQUARTERS AND IN THE FIELD

PROJECT STAFFING

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Postmaster General

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Director, Office of Strategic Management

CONCENTRATED AREA REVIEW #2

CASH AND FINANCIAL MANAGEMENT

AUGUST 1986

RESTRICTED

REPORT ON CONCENTRATED AREA REVIEW #2

CASH AND FINANCIAL MANAGEMENT*

In the Postal Reorganization Act of 1970 the Postal Service is mandated to break even financially; no more, no less. Moreover, cummulative postal debt may not exceed $10 billion, nor may borrowings in any one year increase more than $2 billion. Thus effective financial management is basic. However, as the size and complexity of postal operations continue to increase, these financial management requirements become increasingly more difficult. For example, given the present size of postal operations (i.e., approximately $30 billion annual revenue) a one-percent swing in revenues or expenses equates to a change in annual net income of $300 million.

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*This CAR was initially designed to cover financial and investment policies and practices in the U.S. Postal Service. Included were cash flow management, financing capital requirements, investment practices, forecasting cash requirements, and a review of ratios useful for financial management.

The cash flow system had been recently upgraded. Consequently it was dropped from the CAR. The findings from the review of financial ratios have been communicated by separate memorandum to the Senior Assistant Postmaster General for Finance and Planning.

In this CAR project, working with Finance and Planning group officials, we reviewed current financial and investment policies and practices. In addition, we reviewed plans and projections relative to future cash and investment requirements, not with the purpose of testing the accuracy of these forecasts or of developing new ones.* Rather, accepting these forecasts as reasonable, we wanted to assess the impact of future financial and investment needs and lay out a program to help meet these requirements.

PRINCIPAL FINDINGS:

(a) The Postal Reorganization Act of 1970 requires that USPS break even financially and that postal debt not exceed $10 billion. If those requirements are not changed, USPS will not be able to finance its essential capital program of mechanization, modernization, replacement and expansion.

(b) Postal debt currently stands at about $2 billion. The U.S. Postal Service capital program calls for outlays of $8 billion over the next five years, roughly $5 billion over depreciation.** At this rate the debt ceiling will be reached in the early 1990's and sooner if borrowings are required to cover operating losses in the interim.

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*However we note that only annual forecasts of cash requirements are regularly prepared. Later in this report we recommend steps to improve the financial forecasting process.

**If the programs recommended in CAR #5 Technology, CAR #4 Facilities and CAR #10 Management Information are adopted, the capital program could well expand beyond this level.

PRINCIPAL FINDINGS (cont.):

(c) Beyond the risk of normal operating losses, four proposals before Congress could increase U.S. Postal Service costs and reduce funds available for modernization by $2 billion annually near-term, rising to $3 billion within a few years (see table below). If these proposals are enacted without the phase-in period needed to implement higher postal rates and/or realize the benefits from the increased investment, the debt ceiling will be reached even earlier.

Financial Impact Of Current Legislative Proposals

	Estimated Annualized Impact ($ Millions)	
	FY 1987	Impact by FY 1990
Supplemental Retirement System (Recently Enacted)	$382	(1)
Proposal to increase USPS contributions to the Civil Service Retirement Fund from 7% to 13% by 1988 and 17% by 1990 and later.	$434	$1,014
Proposal for USPS to pay government's share of health benefits for postal annuitants.	$343	(1)
Proposal to eliminate the revenue foregone appropriation. Net decrease in revenues if not compensated for by increased postal rates.	$717	$950

(1) Costs for subsequent years not currently estimated.

(d) Assuming the more reasonable case (i.e., that a proper phase-in will be allowed), the U.S. Postal Service will require $1.5 billion a year for the foreseeable future just to fund capital expenditures.

ALTERNATIVES AVAILABLE:

There are three broad alternatives to financing these capital expenditures;: (1) leasing, (2) funding through earnings, and (3) debt financing. Each requires a mixture of U.S. Postal Service initiative, administration cooperation and congressional action.

1. Leasing:

Over the last five years, USPS has leased roughly one-third of its new facilities' requirements (on the basis of square footage). This square footage has predominantly been leased in locations not developed to USPS specifications and, by policy, in locations under 5,000 square feet. As to financing the future program, this ratio of leasing may well decrease in the near future. USPS buildings are relatively unattractive to investors under the Tax-Exempt Entity Leasing Tax Act of 1983 (P.L. 98-369). It permits only 40-year cost recovery versus the 18 years available to tax paying entities. USPS leases are likely to become even less attractive as the facilities program includes proportionately more replacement of major facilities built to postal specifications.

In addition to the relative unattractiveness of leased facilites to investors, they are unattractive to USPS. The Tax-Exempt Entity Leasing Tax Act prohibits fixed price options to purchase leased facilities at the end of the lease. This exposes USPS to uncertain end-of-lease acquisition costs, and it appears these costs would be high particularly in the major centers.

We did not review the leasing of equipment. Based on a May 1, 1984, memorandum to the Board of Governors, it seems that there are similar barriers to leasing mail equipment and vehicles as there are to leasing facilities. In any case, the entire U.S. tax system is in the process of revision. It will take some time to assess the impact of whatever new tax legislation is enacted. It would be premature for USPS to plan its expanded facilities and equipment program around leasing as the major incremental financing source.

2. Funding Through Earnings:

To pay for a $1.5 billion annual capital program through current earnings could require the equivalent of a two-cent increase in First-Class postage. It is beyond the scope of this CAR to assess the implications of rate increases. However, a two-cent increase in First-Class postage would no doubt impact the market and might impede the healthy development of the Postal Service.* Moreover, since USPS may only break even under the Postal Reorganization Act, funding the capital program though current earnings would require legislative change.

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*CAR #8A, Services and Prices, touches on the issue of market-based versus cost-base pricing.

As to funding capital needs through retained earnings, two major options not requiring legislative change could be used to support higher rates based on cost. One would be to shorten the time period for recovering prior years' losses. In the most recent rate case, nine years was the time period used. Cutting that period to three years (which has been the recent cycle of omnibus rate changes) would add approximately $500 million per year to the cost supported revenue requirement based on the current cumulative deficit. A second option would be to increase depreciation charges by shortening the stated useful life for newly acquired equipment. We looked into several opportunities in this area, and they should be pursued further. But taken together, revised depreciation charges do not have significant impact relative to the need.

There are two options to increasing revenue that would require legislative change. The first, however, would not require a rate increase. This would be to invest near-term excess cash (currently slightly more than $3 billion) in marketable treasury securities and in low risk, marketable securities other than government obligations. The Postal Reorganization Act, by giving the Secretary of the Treasury the option of requiring that U.S. Postal Service funds be invested in U.S. Treasury obligations, in effect, makes the Treasury Department the Treasurer of the U.S. Postal Service. In practice, this arrangement has yielded a high return to the Postal Service in the recent high interest years. However, Treasury has imposed restrictions on the Postal Service which limit its ability to invest effectively even in the U.S. Treasury securities market. In any case it does seem inconsistent that the U.S. Postal Service is not held responsible for managing its own near-term cash resources.

The second, and very significant option--but one requiring legislative action--would be to include a return-on-capital factor in calculating the revenue requirement in setting postal rates. That is, change the requirement from financial breakeven to generating a targeted surplus. Presently the Postal Reorganization Act enumerates only operating expenses, depreciation, debt service and a provision for contingencies as cost factors to be considered in determining revenue requirements. Inclusion of a return-on-capital provision would not only help to offset inevitable secular inflation in facility replacement, it could also be structured to provide U.S. Postal Service management with the incentive to optimize the return from its capital investments. The British Post Office for years has had a retained earnings target, most recently at 4% of revenue. For the U.S. Postal Service, this would come to $1.2 billion per year.

This option, as all the funding-through-earnings options, would result in higher rates. It is also a more difficult approach to explain and administer than the debt service allowed in the current legislation. Yet a retained earnings option can enhance management incentive and control. In any case it is likely essential to the debt financing we recommend in the following section.

3. Debt Financing:

Debt financing is the third broad alternative to financing the capital investment program. In fact, given the time required to effect legislative change and to obtain an omnibus rate ruling, borrowing will likely have to be the primary source of funds for at least the next year or two.

In debt financing two options are available. Both require concurrence by the Secretary of the Treasury or amendment to the Postal Reorganization Act. The two options are:

1. Borrow from the Federal Financing Bank.
2. Borrow from the public.

1. The Federal Financing Bank (FFB):

The Postal Reorganization Act gives the U.S. Treasury the option of buying all U.S. Postal Service debts. The Secretary of the Treasury has waived this option with the stipulation that the U.S. Postal Service finance through the FFB. As a result, FFB currently holds $1.7 billion of U.S. Postal Service notes payable.

To date, borrowing from the FFB is said to have been less costly and less time consuming than public financing, and it has obviously been Treasury's preference. However, recent proposals to increase FFB's fees are narrowing the cost advantage. Moreover, the inflexibility of FFB loan terms and the lack of a viable prepayment option place U.S. Postal Service at a long-term disadvantage. Specifically the notes taken by Treasury in late FY 1985 require U.S. Postal Service to pay a 10.465% rate of interest until 2010 or to pay the present value of all interest due should the U.S. Postal Service wish to prepay the notes.

2. Public Borrowing:

The second alternative is to have the U.S. Postal Service borrow from the public. In 1972 Treasury permitted $250 million in 6-7/8% Postal Service Bonds to be sold directly to the public. CAR recommends U.S. Postal Service seek (1) Treasury approval for significant additional public financing now, and (2) ultimately a change in the Postal Reorganization Act. Public financing will remove the Postal Service from easy access to the public coffers. More importantly it will make the Postal Service compete for investment funds in the market place and involve the investing public along with the Congress, Treasury and the Board of Governors in helping to ensure effective postal management.

RECOMMENDATIONS:

1. Immediately start a program to remove or modify the debt ceiling mandated by the Postal Reorganization Act. Obviously further study is required before setting a new ceiling (if, in fact, a ceiling is necessary or desirable). However, as a rule of thumb, a $20-$30 billion ceiling would be commensurate with Postal Service growth since 1970 (when annual operating expenses were $9 billion and capital outlays only $200-$300 million a year). Moreover a ceiling at this level would approximate the equivalent purchasing power of the original debt ceiling.

RECOMMENDATIONS (cont.):

2. Prepare a long-range forecast of cash requirements, which is integrated with projected earnings, capital expenditures, balance sheet, and Statement of Changes in Financial Position (Source of Funds Statement), and update it annually. Prepare and periodically update an annual integrated cash forecast.

3. Initiate discussion with the U.S. Treasury for permission to make a substantial public debt offering.

4. Make an expert assessment in collaboration with the Treasury of:

(a) the refinancing and/or modification of existing debt.

(b) altering and/or removing investment restrictions.

5. As part of a comprehensive program for congressional review, the Senior Assistant Postmaster General for Finance and Planning should prepare a long-term financial program which will help ensure Postal Service financial needs while at the same time strengthen management incentives and discipline from increased private investor participation.

CONCENTRATED AREA REVIEW #2

CASH AND FINANCIAL MANAGEMENT

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CONCENTRATED AREA REVIEW REPORT #3

AIR TRANSPORTATION

AUGUST 1986

RESTRICTED

REPORT ON CONCENTRATED AREA REVIEW #3

AIR TRANSPORTATION

At an annual cost of more than $700 million, air transportation is the second largest single expense item for the USPS. Concurrent with passenger airline deregulation, USPS air transportation costs increased sharply (on the order of 25-30%), while service availability and performance deteriorated. Thus, air transportation was selected as an area for concentrated review. (Specialized air contracting for such services as Express Mail was not included in the scope of the review. It is currently under study by a USPS task group.)

This year, USPS is requesting bids for three types of air transportation contracts:

> Segment Contracts - Carrier bids for movement of mail between a specified pair of cities within a defined time frame. Miminum/maximum volumes specified.
>
> Network Contracts - Carrier bids for movement of mail between a network of cities within a defined time frame. Bidder structures the network matrix. A minimum 4 X 4 matrix is required.
>
> Systems Contracts - Carrier bids for mail moving between any points on its system as defined by the schedules it publishes monthly in the Official Airlines Guide.

Since USPS was well along in negotiations with the air transport industry for 1986/87 requirements, the CAR approach was structured at two levels: (1) an assessment of the current negotiating concept and approach looking to modifications that could be implemented within contract negotiating deadlines (2) an outline of studies to be conducted in time to shape 1988/89 negotiations.

Affecting Current Negotiations:

From our assessment of current airline negotiations, we conclude:

1. The proposed approach of negotiating three types of contracts (network, segment and system) appears sound. In particular, the network contract should appeal to cargo carriers and increase USPS options for air transportation.

2. As a practical matter, at this late date the proposed sequence of contract offerings (i.e., network and segment; subsequently system) must be followed. However, this sequence should be re-examined for future negotiations.

3. In general, the contracts being offered appear to be more attractive than they were two years ago. In particular, the more flexible approach to network contracts is said to be more appealing to the airlines because it leaves room for greater carrier initiative (e.g., in network design, joint proposals).

4. In the upcoming negotiations, network and segment contracts are being offered for two years (system contracts are for six months). Some airlines questioned a two-year contract duration. The CAR Team recommends that, if the two-year contract fails to attract sufficient bids, the USPS should be prepared to offer a one-year contract alternative for network and system contracts. A one-year option could increase the number of bids for the key network and segment contracts.

5. In light of items 1-4 above, the CAR team has two major concerns with the shape of the current negotiations.

   a. First, we saw no specific targets either for the overall negotiation or by type of contract (such as airlines bidding, percentage of air lift needs to be covered, movement cost, mail handling capacity, congested areas to be avoided, etc.) Negotiation timetables and targets should be established for senior management approval well in advance of the September contract submission date. During the negotiations, reports comparing bid proposals and negotiating timetables with plan should be prepared.

   b. Second, negotiation contingency plans should be developed, in case targets and timetables are not met. For example, the study of USPS-dedicated air lift should be updated, in case USPS is forced to be more dependent on the less reliable, more costly system contracts. For another, the alternative of eliminating minimums should be evaluated.

6. As discussed in 4 above, as currently planned, the 1986 network and segment contracts will be offered for a two-year duration. While two-and three-day delivery standards may change in that period of time, this seems a reasonable risk for the USPS. However, before any contract is signed, the diversion of mail from air to highway, as outlined in CAR #7 should be accomplished.

7. The Western Region recommended that the USPS evaluate contracting for ground services (e.g., load/unload; ACDCS sortation) both as part of and separate from air services. Headquarters has indicated that this is not possible this year. This may be true, but CAR recommends that, after current negotiations are completed, specific attention should be directed to identifying and evaluating selected ground contract alternatives.

Areas for Future Study:

Beyond the recommendations for this round of air transportation negotiation, we recommend a series of studies and management information improvements to help shape USPS intercity transportation strategy and the 1988 air transportation negotiations.

1. USPS should develop the means to assess transportation costs and services not just in isolation, but as part of overall system costs and in relation to service performance. This was also recommended as part of CAR #7-Operations Alternatives.

2. USPS should develop analytic tools such as:

   a. A model using ODIS data to identify chronic service problems related to air transportation. These data would highlight the need to bypass congested airports, change service standards, divert to highway transportation, etc.

   b. A model to analyze the present network of Hub/Spoke mail flows to identify opportunities; for example, to take maximum advantage of leased aircraft options.

3. In line with 5a above, USPS should develop on-going management information to better manage transportation costs. For example, it needs to measure performance against the system cost and service objectives embedded in the transportation contracts.

4. The management information available to determine the impact of air transportation on the cost and performance of individual postal products (e.g., Priority, Express, First-Class one day, First-Class two-day, etc.) should be reviewed. And, as outlined in CAR #7, there is a need to revisit service standards in light of customer requirements and air transportation cost and service.

5. Most fundamentally, the USPS should determine specifically if and, if so, how the deregulated passenger-oriented air transport industry can best provide the USPS with the regular, reliable air lift it needs to be cost and service effective. This we see as a prerequisite to sound long-term relationships with the airline industry and a sound intercity transportation strategy.

CONCENTRATED AREA REVIEW #3

AIR TRANSPORTATION

PROJECT STAFFING

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CONCENTRATED AREA REVIEW #4

FACILITIES

AUGUST 1986

RESTRICTED

CONCENTRATED AREA REVIEW #4

FACILITIES

OBJECTIVES

The focus of this review has been to recommend process changes which will result in the more timely identification, approval and construction of new, expanded and replacement facilities.

BACKGROUND

From March through September 1985, a National Facilities Task Force (NFTF) evaluated the total facilities program of the USPS. The task force concluded that (1) new facility construction is not keeping pace with demand, and (2) repair and improvement projects have excessive processing delays due to cumbersome procedures and limited delegations.

Our CAR study confirms the task forces' principal findings. As indicated in Exhibit 1,* New Construction Data, the backlog of active (i.e., on hand) new construction projects is currently 2591, roughly 80% higher than at the end of Fiscal Year 1981, largely as a result of major expansion in new starts.

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*Exhibits are attached at the end of this report.

Impact of Reorganization

The reorganization under CARs #1 and #6 has introduced significant changes which will correct many of the problems identified by the NFTF. The major organization changes were:

- The facilities organization was "stove piped." Five regional Service Center Directors report directly to the Assistant Postmaster General, Facilities, at Headquarters, no longer to the Regional Postmaster General. Eleven service offices report to the regional service centers. Each service office supports an average of six field divisions.
- At Headquarters, responsibility for the facility planning and requirements program was moved from Operations to the Facilities organization.
- The major facilities program (i.e., buildings over $5 million) was substantially dispersed from Headquarters to the five regional service centers.
- In the field divisions, the facilities function was organized under a Field Director, Support Services (in Special Divisions), or a Manager, Support Services, each reporting to the Field Division General Manager/Postmaster. The Field Director/Manager is responsible for the Division's facility requirements and planning, as well as the facility repair and alterations program.

- The Building Maintenance Engineering Office (BMEO) functions and staffing were consolidated into the Field Division structure. All Field Real Estate and Buildings Office (FREBO) functions not delegated to the field divisions were consolidated into the services offices.
- To test the feasibility of further delegation of facilities authority to the field divisions, special organization units were established in 11 field divisions (designated as special divisions) on a test basis for approximately 18 months. These "special" divisions will have increased approval and contracting authority. They will be responsible for all new construction projects using standard plans up to $2.5 million, real estate acquisitions up to $1.25 million and leasing of facilities up to $500,000 annually or $5 million total. Organizationally, the 11 special field divisions will have a combined Facilities and Procurement unit under a PCES Director and will test having procurement contract specialists on the resident staff to do the contracting for facilities work.
- Increased approval and contracting authority has been delegated throughout this new structure--the field divisions, the service offices and the service centers. This increased delegation will enable all levels to speed up the process by eliminating additional review layers.

These organizational and authority changes should result in the following immediate improvements in the facilities program:

1) Responsibility for the planning process and building of new facilities is under the control of one organization. This will allow for integration of the planning and building process and thus shorten the time frames to complete new and enlarged facilities. The identification, requirements and planning for new facilities is now under the control of each Field Division General Manager/Postmaster who has been given the staff needed to support this effort.
2) The majority of the repair and alterations program will be accomplished at the division level (approximately 80% in regular; 99% in special divisions). Increased approval and contracting authority allows the Field Division General Manager/Postmaster, aided by a technical support staff, to fully identify, as well as to accomplish, needed repairs. The movement of this program out of the facilities service office organization will free the time formerly spent by design and construction specialists on this program to be redirected to the new construction program.
3) A "stove pipe" facilities organization will result in better implementation of facilities policies and programs and increased program accountability.
4) A substantial portion of the facilities program is under the control of the ultimate user, which should provide the impetus and accountability necessary to improve the process of identifying and prioritizing projects, as well as a reduction in paperwork due to reduced approval layers.

Process Issues

Even with improvements that will result from reorganization, there was a need to review the process issues which impact the timeliness with which new facilities are provided. The facilities new construction process has five major steps:

1) Planning and Approval
2) Real Estate Acquisition
3) Architect/Engineer (A/E) Selection and Design
4) Contractor Selection and Construction
5) Administrative Close Out

This CAR reviewed the first four steps, and we present our findings and recommendations in the sections following.

PLANNING AND APPROVAL PROCESS

Findings

- Review of current active projects indicates a fairly even flow of projects from step to step except for the large number of projects (35%) in the planning and site control stage.
- Improved discipline is needed in the development and execution of the five-year facilities capital plans, as evidenced by analysis of the FY 1982-86 and 1985-89 five-year major facility plans. The FY 1982-86 Five Year Capital Plan (Exhibit 2) identified 61 projects that were scheduled to go to the Capital Investment Committee (CIC) for approval during that period. Five years later, only 29 have gone to the CIC, 17 are still in the planning process and for one or another reason, 15 have been removed from the plan. Only 14 of the 61 went to the CIC for approval in the year originally scheduled.

- The FY 1985-89 Five-Year Capital Plan (Exhibit 2A), scheduled 84 projects for CIC review in that five-year period. To date, only two years later, 17 are no longer on the plan. Of 41 projects scheduled for CIC approval in FY 1985 and 1986, only 12 have been approved, and 12 are on the schedule for approval during the remainder of FY 1986.

- Interviews with Regional Service Center Directors disclosed that 1) only the first one to two years of the five-year regional projects' plan are considered firm, and 2) facilities are included in the plan without a facility planning concept or other supporting justification. Since the Postal Service five year capital investment plan for facilities is based on the projects in the national and regional plans, forecasted capital investment requirements are not accurate.

Recommendations

1. Develop and establish a process to screen all facility proposals before they may be included on the five-year plan. This process of initial consideration, following a standard format, should outline the broad facility plan, including such elements as preferred site location and estimated facility size together with justification information such as growth, economics, operational considerations, community planning, etc. These data, while still only estimates, should be sufficiently complete to prioritize the project if it is approved. Beyond the screening of individual projects, the process should also include projected facility needs for each division in the 5-10 and 10-15 year range. The division's listing of anticipated facility replacement needs would be based on facility age, repair history and other broad replacement indicators.

2. During the capital budgeting process, division proposals should be reviewed and consolidated at the regional level. Major facility projects should be put in priority order based on the availability of capital as determined by the strategic business plan and the facilities overall contribution to the accomplishment of that plan.
3. Approval of a facility for inclusion in the five-year plan should firmly establish the facility need and allow the facilities function to commence the site acquisition and planning processes.

SITE ACQUISITION

Findings

- Twenty-eight of the 60 active projects reviewed by the NFTF were delayed by site acquisition problems. These included delays resulting from both inability to find acceptable sites and community opposition.
- A review of new construction owned facilities completed since 1983 (see Exhibit 3) disclosed that the average time for site acquisition on regional projects completed during the last 1-1/2 years was about 13-1/2 months, down from a high of 20.5 months for facilities completed in FY 1983. The average site acquisition time for major facilities (i.e., Headquarters projects) was roughly 30 months, down from 40 months in 1983.
- In Fiscal Years 1983-85, the number of site acquisitions for new construction was 153, 205, and 235, respectively. At the end of FY 1986 there were 532 active site acquisitions for new construction owned projects, approximately a two-year backlog.

Recommendations

1. Once a firm five-year facility plan has been approved, begin the site acquisition process. (Estimated additional capital requirements for accelerated site acquisitions range from $100 million in FY 1987 to $135 in FY 1991. This additional expense will cycle out after a five-year period.) Assure that priorities are set and adhered to.
2. Consider the use of "land banking" for future (over five years) site requirements in selected high growth areas. Developers have donated parcels at little or no cost to the Postal Service early in the project development stage. As projects mature, site availability often becomes difficult and more costly. Thus "land banking" in these circumstances can be accomplished at very little cost and at a substantial ultimate savings to the Postal Service.
3. Increase Real Estate Specialist staffing to handle the increasing project base workload. A staffing study completed in 1985 documented the need for a minimum of 114 additional positions in the real estate area.
4. In large metropolitan areas where site acquisition has been a problem, utilize the "turn key" type project approach, such as the Washington, D.C. General Mail Facility. This allows developers to identify and offer sites, as well as contract for the design and construction of the facility.

DESIGN AND CONSTRUCTION

Findings

- The review of completed projects since 1983 disclosed that overall architect/engineer (A/E) selection and design time had decreased to 7.9 months from a high of 13.2 months in FY 1984 (see Exhibit 3). This overall reduction in time has been accomplished by selecting A/E firms during the planning process and by completing the 10% design prior to full project authorization.
- Overall construction time averaged about 16 months in the last 1-1/2 years, down from a high of 20 months in FY 1984.
- Standard plans are not generally used for facilities larger than 5,000 sq. ft.

Recommendations

1. Speed the development of the "Kit of Parts" standard plan concept for facilities in the 5,000 to 28,000 square foot range. This range represents approximately one-third of the completions in the last two fiscal years. The Kit of Parts concept, when combined with term contracts for construction and site adaptation, reduces design development and review time, increases the capacity of the organization to produce facilities, and reduces costs by the use of off-the-shelf building materials.
2. Pursue the development of a standard plan concept for facilities over 28,000 sq. ft.

3. As referenced earlier, the increased use of "turn key" type contracts for major facilities should be considered. "Turn key" advantages include: 1) reduced site acquisition requirements, 2) reduced A/E and construction contracting requirements, since the successful bidder identifies and contracts for the architect and construction contractor, 3) construction which can commence in step with the various stages of the design through the design/build approach, and 4) inclusion of a financial incentive clause to share cost underruns with the contractor. The major disadvantages of this approach are: 1) the reduced ability to make changes during the design and construction process, and 2) increased A/E overhead resources/costs during construction to closely monitor quality and claimed contractor overhead costs. In a review of six major facilities, the Washington, DC, GMF "turn key" facility is scheduled to be completed in 38 months from Board of Governors approval to construction completion, approximately 20 months earlier than originally planned. The five other facilities studied took, or will take, between 35 and 59 months for the same phases, although they range from 54% to 76% smaller in total square footage (Exhibit 4).

LOOKOUT GALLERIES

Finding

- Inspection Service lookout gallery requirements sometimes restrict alternatives to purchase existing facilities which otherwise meet USPS requirements. The lookout galleries also add to construction costs of new facilities.

Recommendation

1. Based on this Concentrated Area Review, the Inspection Service and Facilities Group have initiated a joint study on current lookout gallery requirements to determine if alternatives are available and feasible. They will make a joint recommendation to address the issue. (Refer also to CAR #2-Cash and Financial Management.)

CONCENTRATED AREA REVIEW #4

FACILITIES

PROJECT STAFFING

Responsible USPS Officer	---	Edward E. Horgan, Jr. SAPMG Facilities & Supply
Department Leader	---	Roger F. Craig APMG, Facilities
CAR #4 Team Member	---	Michael A. Dunn Assistant Regional Chief Inspector, Audit Eastern Region
CAR Project Manager	---	Richard J. Strasser, Jr. Office of Strategic Management

EXHIBIT 1

NEW CONSTRUCTION DATA

		FY 81	FY 82	FY 83	FY 84	FY 85	FY 86 (QTR II)	AVG 5-1/2 yrs.
New Const. Owned	Project Starts+	448	223	285	315	496	235	364
	Project Completions*	98	186	217	150	125	114	162
	Project Cancellations	--	171	61	4	30	20	
	Active Projects	817	683	690	851	1,192	1,293	
	$Committed (000)	$109,224	79,169	176,283	211,739	336,698	127,860	
	Tot. USPS Owned Sq. Footage (000)	106,213	108,813	109,813	111,336	113,986	115,805	
New Const. Leased	Project Starts+	208	350	398	470	603	327	428
	Project Completions*	155	191	253	218	243	132	218
	Project Cancellations	--	53	90	125	41	125	
	Active Projects	621	727	782	909	1,228	1,298	
	Total USPS Lease Costs (000)	$ --	--	252,105	271,016	294,247	307,909	
	Total USPS Leased Sq. Footage (000)	89,247	89,112	88,208	89,461	90,960	91,523	
	Average/Sq. Ft.	--	--	$2.86	$3.02	$3.23	$3.36	
Total New Const. Owned/ Leased	Project Starts+	656	573	683	785	1099	562	792
	Project Completions*	253	377	470	368	368	246	379
	Project Cancellations	--	224	151	129	71	145	
	Active Projects	1,438	1,410	1,472	1,760	2,420	2,591	
	Sq. Footage (000)	195,461	197,140	198,022	200,797	204,947	207,328	
Inventory	Owned	3,744	3,892	4,054	4,198	4,338	4,452	
	Leased	29,170	29,326	29,495	29,638	29,678	29,627	
	Other	926	951	953	958	945	934	
	Total	33,840	34,169	34,502	34,794	34,961	35,013	
	Tot. Sq. Footage (000)**	196,050	197,720	198,588	201,361	205,500	207,873	

+Project Starts based on project inclusion in Facilities Management System (FMS)
*Project Completions based on administrative close outs (not construction completions)
**Includes miscellaneous space used by USPS such as postal owned trailers, space leased for free under agreements with military bases etc.

EXHIBIT 2

ANALYSIS OF MAJOR* FACILITY PLANS

Planned CIC Approval vs. Actual

FY 1982-86 Five Year Capital Plan (dated 4/9/81)

Plan Year for CIC Approval	No. Projects Planned	Year** of Approval									Total	Projects Off-Plan
		FY 82	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90		
FY 82	17	3	5	2	1	2	3	0	0	0	16	1
83	11	-	3	0	0	1	2	0	0	0	6	5
84	13	-	-	6	2	1	0	2	0	1	12	1
85	11	-	-	-	2	3	1	0	0	0	6	5
86	9	-	-	-	-	1	4	0	1	0	6	3
	61										46	15

* Major Facilities over $5 million

**Current planned approval dates from FY 86 thru FY 90

EXHIBIT 2A

ANALYSIS OF MAJOR* FACILITY PLANS

Planned CIC Approval vs. Actual

FY 1985-89 Five Year Capital Plan (dated 4/10/84)

Plan Year for CIC Approval	No. Projects Planned	Year** of Approval								Total	Projects Off-Plan
		FY 84	FY 85	ACT FY 86	PLAN FY 86	FY 87	FY 88	FY 89	FY 90		
FY 85	21	2	6	2	3	5	1			19	2
86	20	-	-	2	9	6				17	3
87	15	-	-	0	1	6	4			11	4
88	17	-	-	0	1	3	5	1		10	7
89	11	-	-	-	-	-	3	6		9	2
	84									66	18

* Major facilities over $5 million
**Current planned approval dates for FY 87-90

EXHIBIT 3

NEW CONSTRUCTION OWNED

Completion Fiscal Year	Site Acquisition Months	Design Months	Construction Months	Total Time Months	No in Sample
Regional Projects					
86	13.6	7.6	15.9	37.1	92
85	13.3	9.5	15.5	37.4	155
84	15.2	13.3	19.1	45.1	116
83	20.5	12.1	18.9	47.6	62
Major Facilities (HQ Projects)					
86	28.4	19.5	25.9	73.9	2
85	32.0	8.5	23.6	60.8	7
84	30.1	12.6	30.5	72.3	6
83	40.4	17.7	35.0	77.6	4
Total					
86	13.9	7.9	16.1	37.9	94
85	14.2	9.2	15.9	38.4	162
84	16.0	13.2	19.6	46.4	122
83	22.0	11.1	20.0	49.4	66

FY 86 Figures YTD Thru 5/19/86
Total time frame does not include period from occupancy to administrative close out.

EXHIBIT 4

CASE STUDY RECAP

SITE	SQ FT (000)	FACILITY PLANNING CONCEPT(O)	BOARD OF GOVERNORS (A)	TIME (MOS)	CONSTRUCTION COMPLETION (A/E)	TIME (MOS)	TIME (MOS)
N. Bay, CA	182	11/07/78	7/07/81	32	3/11/86	56	88
Ft. Worth, TX	182	3/06/79	5/05/81	26	4/30/86 (E)	59	85
Springfield, MA	187	9/12/79	5/05/81	20	3/31/86	58	78
Washington, DC	653	4/01/81	5/02/83	25	7/15/86 (E)	38	63
Austin, TX	300	1/11/83	9/11/84	20	9/16/88 (E)	48	68
Midland, TX	155	5/15/84	1/07/86	20	12/05/88	35	55
Average				23.8(32.7%) 2 years		49(67.3%) 4 years	72.8 6 years

O = Original Plan Date

A = Actual Plan Date

E = Estimated Plan Date

CONCENTRATED AREA REVIEW #5

TECHNOLOGY

AUGUST 1986

RESTRICTED

REPORT ON CONCENTRATED AREA REVIEW #5

TECHNOLOGY

PURPOSE OF PROJECT:

- To review and recommend changes in U.S. Postal Service strategy and approach to applying technology in terms of:
  - the level and focus of technology related program spending.
  - the approach to organizing and managing these programs.
  - the approach to procuring and deploying new and/or improved equipment and systems.
- This review did not involve individual technology-related decisions.

PROJECT SCOPE:

- For the purposes of this CAR, we broadly defined technology related spending and programs to include:
  - all levels of technology
  - all program areas
  - all providers and sources of technology

PROJECT APPROACH:

- In carrying out this project we:
  - reviewed previous studies relating to postal technology.
  - interviewed all major technology user and provider organizations in U.S. Postal Service Headquarters.
  - conducted a Saturday Focus Group with field engineers and managers.
  - interviewed executives from two long-time postal equipment suppliers (Pitney Bowes and Burroughs).
  - interviewed Arthur D. Little, the principal contractor to the Technology Resource Department.
  - met with the Technology Advisory Committee.
- In the sections following, we present our findings and recommendations starting with the level and focus of U.S. Postal Service technology spending.

LEVEL AND FOCUS OF TECHNOLOGY SPENDING:

o In this phase of our review, we first examined U.S. Postal Service investment in plant and equipment as an indicator of technology-related spending. Then we examined directly the level and focus of technology related spending.

1. Investment in Plant and Equipment:

o In most organizations technology spending is:

- key to new products.
- a forerunner to investment in new plant and equipment.

o As a service organization, the U.S. Postal Service does little product development per se. Thus, the level and output of technology spending can be grossly assessed in terms of U.S. Postal Service investment in equipment.

o Since 1972, total assets per employee (excluding deferred retirement costs) have more than doubled--from $5,300 to $12,700--and every projection calls for further substantial increase to:

- replace or renovate aging facilities
- increase capacity in growth areas
- increase service efficiency, quality and productivity.

o In FY '86, planned capital investment is $1.3 billion: $.7 billion for plant; and $.6 billion for equipment. The equipment budget is:

- two and one half times FY '85.
- double current depreciation.

o But even with this increase, U.S. Postal Service total capital spending still appears well below the spending of other delivery organizations when grossly compared on a per-employee basis.

	Capital Spending Per Employee
Federal Express (1985)	$13,500
United Parcel Service (1985)	5,700
U.S. Postal Service (1986)	1,700

LEVEL AND FOCUS OF TECHNOLOGY SPENDING (cont.):

- This also leaves the U.S. Postal Service heavily underinvested (i.e., assets per employee) when grossly compared with other large service organizations (as reported in Fortune's Service 500).*

	Assets Per Employee
Delivery Companies:	
Federal Express	$70,000
United Parcel Service	27,000
Purolator Courier	22,000
McDonalds (Fast Food Service)	34,000
Marriott (Hotels)	24,000
Kroger (Food Stores)	23,000
Beverly Enterprises (Health Care)	19,000
ARA Holding (Institutional Food)	15,000
U.S. Postal Service	12,700

2. Categories of Technology Spending:

- Currently $125 million in expense funds is budgeted for technology-related activities.

- The estimated breakdown of this $125 million is roughly as follows:

1. By level of technology:

	($million)
- Research	$0
- Development and Design	$56
- Equipment Engineering	$52
- Industrial and Field Engineering	$17

2. By USPS technology provider:

	($million)
- Engineering & Technical Support	$47
- Delivery Services Office of Advanced Delivery & Retail Systems	17
- Technology Resources	21
- Information Resource Management	25
- Field Engineering**	15

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*CAR #2 report on Cash and Financial Management considers alternative approaches to financing the U.S. Postal Service's capital program needs.

**In addition to 300 field engineers, there are 34,000 field technicians not included.

LEVEL AND FOCUS OF TECHNOLOGY SPENDING (cont.):

3. By technology source:

	USPS ($million)	Contractor ($million)
- Engineering & Technical Support	$24	$23
- Delivery Services	3	14
- Technology Resource	1	20
- Information Resource Mgmt	12	13
- Field Engineering	15	0
	$55	$70

4. By program area*:

	Project Expense ($million)	%
- Mail Processing	$11	17%
- Retail	18	27
- Delivery	32	48
- Other	6	8
	$67	100%

3. Observations on Level and Focus of Technology Spending:

o Given the time and information available, CAR is not able to make definitive recommendations relative to the $125 million in technology-related spending.

o However, we are confident in making the following observations:

- Postal Service investment in new operating processes and equipment and new management information systems must increase substantially if it is to reach its goals of enhanced efficiency, quality and long-term viability.**

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*Research and Development Program Projects report dated June 26, 1986, on 57 projects active as of October 1985 in Delivery Services, Engineering Support Center, Engineering and Technical Support Department, Real Estate and Buildings Department, and Technology Resource Department. These consist principally of contractor costs.

**CAR #10, Management Information Systems addresses Management Information needs at greater length.

LEVEL AND FOCUS AND TECHNOLOGY SPENDING (cont.):

- While this may well argue for an increase in technology-related spending, it does not mean that the U.S. Postal Service should move up towards some gross industry "norm."

  1. As a service organization, USPS spends little on product development.

  2. It spends little on research. With the possible exception of optical character recognition, there is no field of research which is likely to impact USPS significantly in which USPS is a big enough factor to advance the state of the art.

- Interviewees indicate that technology spending has been focusing increasingly on the growing, high labor content operations (e.g., carrier-in-office) and on materials handling. This is desirable if that spending is adequately coordinated.

- Five USPS organization units are involved in administering technology-related funds. There is nothing intrinsically wrong with this. In fact, it can enhance user-provider communication. However, as we point out in the next section, the key to effective decentralized technology is sound program planning and coordination.

- Over half the technology-related expense is for contractor personnel and project equipment. This may be a sound strategy, but we are concerned for USPS long-term technical continuity.

  1. Technology Resource and Delivery Services substantially depend on contractors for administering their technical program.

  2. The Headquarters Engineering and Technical Support staff is aging (40% are said to be eligible for retirement in five years, and there have been few new hires.)

ORGANIZATION AND MANAGING TECHNOLOGY RELATED PROGRAMS:

- In this phase of our CAR review, we examined in turn:

  1. The organization of technology-related activities.

  2. USPS approach to technology planning and coordination.

- USPS follows several approaches in organizing and managing its technology-related activities.

  - Delivery Services has its own Advanced Delivery and Retail Systems development unit. Mail Processing, with a substantially larger Research & Development program area, draws on the Engineering Support Center and Technology Resource Department.

  - The Office of Industrial Engineering and the Office of Maintenance Management provide technical leadership to the field engineers and technicians who report to the Field Division General Managers.

  - The Office of Mechanization and Facilities Development and the Engineering Support Center are involved in the engineering, evaluation, procurement and installation of new equipment. The Information Resource Management Department plays the key support role in planning, developing and designing operating systems and management information.*

  - The Technology Resource Department of the Management Information and Research Technology Group focuses on longer-term technology planning for the application and uses of technology-related activities.

- USPS approach to technology planning and coordination is basically the same across all the organizations and appears to be procedurally sound.

  - User departments define requirements and exercise control over the projects addressed to their needs.

  - Provider organizations actually perform the work either "in-house" or through contractors.

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*CAR #10, Management Information covers this subject at greater length from both user and system perspective.

ORGANIZATION AND MANAGING TECHNOLOGY RELATED PROGRAMS (cont.):

- Both department technology expense budgets and research and development project budgets are prepared (though not easily "cross walked").

- The Capital Investment Committee (CIC) reviews requests for capital funds in connection with the procurement of "new technology" equipment.

- A Technology Planning Committee of Senior Assistant Postmasters General (SAPMGs) coordinates project-oriented technology-related effort.

- An outside Technology Advisory Board advises the Technology Resource Department on its plans and programs.

o Observations on Technology Organization and Management:

1. Organization:

   - As noted in the prior section, there is nothing inherently bad (or good) about a decentralized (or centralized) technology organization.

   - Given the history of U.S. Postal Service technology development and the fact that there is no one dominant development field or level, CAR favors the decentralized approach.

   - However, this approach requires more effective planning and coordination (as discussed below).

2. Approach to Planning and Coordination.

   - As in any technology-related effort, planning and coordinating the U.S. Postal Service program is inherently complex:

     - long term versus short term.
     - operating system versus information system (ACDCS).
     - equipment and system integrity versus innovation and adaptation.
     - technical elegance versus institutional need.
     - corporate priorities versus local interest.

   - U.S. Postal Service technology planning and coordination (from assessment of need to the decision to deploy "new technology" systems and equipment) can be improved.

ORGANIZATION AND MANAGING TECHNOLOGY RELATED PROGRAMS (cont.):

- Technology expense budgets tend to be adjustments to the past year's actual and are largely uncoupled from future opportunity and need.

- CIC reviews only capital funds and not the leading-edge study and design projects.

- The Technology Planning Committee, along with most U.S. Postal Service standing committees, could be strengthened*. Moreover, the committee reviewed only 40% of the active technology projects to assess progress and priorities.

- The Technology Advisory Board, while basically sound serves only the Technology Resource Department and is more narrowly focused than U.S. Postal Service overall technology-related efforts.

DEPLOYING AND MODIFYING EQUIPMENT AND SYSTEMS IN THE FIELD:

o This phase of the COR review examined:

1. The "industrial base" supplying postal equipment and systems.

2. Patterns of equipment deployment.

3. The approach to modifying equipment and systems in the field.

o U.S. Postal Service industrial base consists of (1) equipment manufacturers/suppliers, (2) equipment designers/contractors, and (3) systems designers/suppliers.

1. Relative to equipment manufacturers:

   o USPS is heavily dependent on foreign technology and U.S.--foreign joint efforts over which it has limited influence.

   - Equipment design is largely driven by foreign postal administrations.

   - While the U.S. Postal Service is the largest market, foreign company participation is largely limited to licensing fees.

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*Discussed at length in COR #5, Corporate Management.

DEPLOYING AND MODIFYING EQUIPMENT AND SYSTEMS IN THE FIELD (cont.):

o USPS has few long-term, sustaining domestic suppliers:

- Several large U.S. companies are reluctant to bid.

- Most are said to view U.S. Postal Service as a marginal customer and are reluctant to commit to on-going postal equipment design and development.

2. Relative to equipment and systems designers/contractors:

- Current development contractors have yet to demonstrate ability to transfer prototype designs and systems concepts to postal equipment manufacturers (though time may not be long enough to judge).

- Most equipment being deployed today is not the product of U.S. Postal Service development but adapted products developed for other markets.

3. Computer systems:

- The U.S. Postal Service appears to have good relationships with hardware suppliers and contract systems designers.

- We understand, however, that some companies will not become involved in developing unique postal systems because of USPS licensing requirements.

o Equipment Deployment Patterns:

- The U.S. Postal Service uses both "off-the-shelf" and postal-tailored equipment. Each category seems to suffer from ordering surges and periods of short supply.

- Some "off-the-shelf" shortages (e.g., containers, conveyors, and meter machines) apparently result from the perpetual "bottomless pit" problem. Others result from cumbersome ordering procedures which should be corrected by longer term contracting and the Field Divisions' enlarged ordering authority.

DEPLOYING AND MODIFYING EQUIPMENT AND SYSTEMS IN THE FIELD (cont.):

- Upgrading Deployed Equipment and Systems:
  - The largest single U.S. Postal Service engineering force is the 300 field engineers and 34,000 maintenance and repair personnel who work with deployed equipment and systems every day.
  - Prior to the reorganization, each region had a small engineering group. With the reorganization, these engineers were distributed to the divisions. While this put them at the right level, critical mass was lost.
  - Relative to system and equipment modifications, most field personnel believe that Headquarters is overly protective of existing equipment and often over-engineered relatively straight-forward modifications. Headquarters naturally takes exception to these perceptions.
  - Quite likely, neither viewpoint is totally right. The need is to strike the right balance between local initiative and system needs.

- Observations on Equipment Procurement and Deployment:

1. The U.S. Postal Service must broaden its industrial base if it is to be assured of a steady stream of improving postal equipment and systems.
2. Equipment procurement and deployment practices should be examined to ensure the continuing involvement of responsible equipment manufacturers and suppliers.
3. "Off-the-shelf" item ordering should be modified to reflect the new field organization and authorities and improved contracting techniques.
4. The U.S. Postal Service must effectively exploit the American genius to "tinker with" systems and equipment.

RECOMMENDATIONS:

- The U.S. Postal Service should continue to expand its investment in new plant equipment and systems. To ensure the maximum, timely return, it should:

  1. Replace the Technology Planning Committee of SAPMGs with a Technology Program Area Committee chaired by the SAPMG-Management Information and Research Technology and with the following APMG members--Delivery Services, Engineering and Technical Support, Facilities, Information Resource Management, Mail Processing, Planning, Procurement and Supply, and Technology Resource. Give this committee responsibility for proposing goals, plans and budget requests for all technology-related activities; for authorizing program studies and projects; for monitoring progress and results; for regularly reassessing priorities and organization needs; and for presenting semi-annual indepth technology area reviews to the Corporate Program Committee. (CAR #7A report, Corporate Management, presents a full discussion on U.S. Postal Service corporate committee structure.)

  2. Revise the outside Technology Advisory Committee structure and membership in light of 1 above.

  3. Charge the Technology Program Area Committee to develop a program to address the observations in this report (e.g., expanded technology spending, role of reliance on outside contractors; U.S. Postal Service technical staff capacity and involvement; USPS industrial base; improved approaches to procuring and deploying both off-the-shelf and postal equipment and system.)

  4. Stimulate field innovation and modifications:

     a. Use the $100,000 annual Division Innovation Fund to permit divisions on their own authority to underwrite the cost of developing and testing equipment and system innovations. (CAR #7, Operations Alternatives further discusses the Innovation Fund.)

     b. Provide each region with a $400,000 annual Innovation Fund to be spent on their own authority but with the added responsibility that innovation test results be broadcast throughout the U.S. Postal Service. This responsibility should be included in performance evaluations.

     c. Establish up to six Division Engineering Teams to provide decentralized field centers of technical expertise and to stimulate field innovation. These centers with an annual gross budget of up to $500,000 (i.e., 5-7 technical personnel) would be competitively awarded for two years with renewal based on results.

CONCENTRATED AREA REVIEW #5

TECHNOLOGY

PROJECT STAFFING

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CONCENTRATED AREA REVIEW #6

MANAGEMENT STRUCTURE IN OPERATING CENTERS

This report is combined with the CAR #1 report.

RESTRICTED

CONCENTRATED AREA REVIEW REPORT #7

OPERATIONS ALTERNATIVES

AUGUST 1986

REPORT ON CONCENTRATED AREA REVIEW #7

OPERATIONS ALTERNATIVES

The Postal Service's program of continuing cost reduction and service improvement will, in large part, be achieved through automation and mechanization. Nonetheless, CAR #7 was launched to assess opportunities for service improvement and cost reduction which do not require major capital investments. To this end, we asked managers at Headquarters and in the regions to suggest what we termed "operations alternatives." Then we asked Operations Support to make order-of-magnitude assessments of their cost and operations impact based on data available at Headquarters.

The CAR Team selected for Headquarters assessment three operations alternatives from among those most frequently suggested.

1. Discontinue round-the-clock mail processing.
2. Eliminate the second day delivery service standard for First-Class Mail.
3. Increase the proportion of centralized delivery.

Each of these alternatives, together with our overview on effecting operations alternatives, is discussed in the sections following.

Round-the-Clock Mail Processing

In general, the Postal Service processes mail 24 hours a day, seven days a week. Typically, staffing is reduced during the low volume less time-constrained tours and on weekends mail may be massed on major processing sites. This is based on the logic that productivity will be higher when there is more work to be done and when mechanization/automation is available.

The regions suggested as an operations alternative that mail be processed only from 6 a.m. to 6 p.m. We were told that it would be difficult to extract information on a basis other than by tour. Thus, CAR asked for assessments based on productivity data by tour and by weekend day.

Tour Productivity

Based on one set of data (i.e., full tour data from three installations for one accounting period), it appeared that overall productivity on tour 3 (the evening) is more than 25% above tours 1 and 2, even though in the case of tour 2 (day time) assigned manpower was reduced by 50%.

Composite MSC	Tour 1	Tour 2	Tour 3
Productivity (FHP)	771	705	1217
% of Total Workhours	37	21	42

Data gathered from five other locations which covered only measured operations indicated that tour 2 productivity on most measured operations exceeded tours 1 and 3. Thus these sample data confirmed wide variations in productivity between operations and tours. However, they provided no insight into patterns of productivity. Productivity should not be a random phenomenon. CAR recommends that the phenomenon of high and low tour productivity and its underlying causes be studied further.

Day of the Week Productivity

Sample statistics were also developed on the impact of closing mail processing during the Sunday 24 hours. These indicated the possibility of significant savings in Sunday premium (25%) pay. However, data were not available to measure the full systems impact (e.g., savings from massing mail into a more productive period). Moreover, Operations Support believe that any "Sunday savings" would be lost by the impact on delivery operations (i.e., reduced Monday delivery volume and a Tuesday delivery peak which might cause overtime). Nonetheless, CAR recommends that further study be made in the field to program productivity improvements based on the performance of operations and locations achieving high productivity.

Second Day Delivery

A second operations alternative suggested by the field was to eliminate the second day delivery service standard for First-Class Mail. The Postal Service largely set its own service standards. These standards and the system that measures performance against them were last changed in 1975 when the Air Mail classification was dropped.*

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*However, point-to-point commitments against these standards are updated continuously as system capacity and transportation allows.

Relative to cost, available Headquarters data could measure only the incremental air transportation cost required to ensure second day delivery at current service levels. This increment comes to about $200 million of the $700 million spent for air transportation. Of this $200 million, it was determined that $20-$30 million net savings could be achieved by diverting air to highway while still achieving present service levels.* However, from Headquarters' data it was not possible to determine the system cost of second day service (i.e., incremental mail handling, processing and delivery costs) and the real operations impact of this standard. Relative to the market impact, from available data it was not possible to determine what customers and what real market requirements would not be effectively served if the second day were eliminated as a specific service standard. The cost and market impact of alternative service standards should be assessed.

Central Delivery

Each year the Postal Service spends roughly $9 billion, or 30% of total cost, delivering mail to 106 million delivery points across the nation. Of these, 34 million are door deliveries.

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*CAR #3 report covers Air Transportation at length.

The Postal Service serves these delivery points with different types of routes and with three types of delivery as shown in the table below.

Type of Route	Total	Type of Delivery		
		Door	Curbside	Centralized
Regular Park & Loop and Curbline Routes (i.e., at least 70% Residential)	63%	31%	16%	16%
"Heavy" Rural Routes	20%	-	19	1
Residential Foot Routes	11	7	-	4
All Other	6	3	1	2
	100%	41%	36%	23%

Of the 23% centralized delivery, 19% is to apartments, mail rooms, delivery clusters and U.S. postal boxes; 4% is to "cluster boxes" or a group of delivery boxes in a single unit located nearby to individual homes and offices. (Source: December 1985 Cost of Delivery Study)

In December 1985, the Postal Service conducted a cost-of-delivery study by route type and delivery mode. The estimated annual cost per delivery is as follows.

Type of Route	Type of Delivery		
	Door	Curbside	Centralized
Park & Loop, Curbside	$85	$70	$50
Heavy Rural	NIL	79	60
Residential Foot	$109		51
Total Weighted Average	$96	$75	$52

Present Postal Service policy is to require practically all new deliveries to be either centralized or curbside. In addition, voluntary conversion of existing door deliveries to centralized and curbside was encouraged.

The House Post Office and Civil Service Committee currently has H.R. 1980 before it. This bill would prohibit the delivery of mail by means of outside cluster boxes to any residential dwelling within a metropolitan area with a population of 25,000 or more. Further, in July 1985, Congress requested the GAO to review the current Postal Service policy on clusterboxes, evaluate the policy implementation and assess the cost-of-delivery study. This report is expected in September 1986.

While any decision on clusterboxes will depend upon the outcome of these studies and Congressional action, CAR nonetheless proceeded with its assessment of the centralized delivery alternative suggested using available data.

These data suggest that the Postal Service would save on the order of $15 million per year for each one percent of present door deliveries converted to centralized delivery, and perhaps half that amount by converting from door to curbside. We reviewed the data from five large, reasonably comparable offices for 1984, 1985 and the first half of 1986. (Systemwide data were not available.) In 1984 these offices converted 1% of total deliveries to central delivery. In fact, one office converted 2.3%. (It should be noted, however, that voluntary conversions slowed to a trickle in all five offices starting in 1985.) Moreover, based on accounting period 6 of FY 1986, in these same offices the percentage of new deliveries centralized ranged from the low 70's to the high 90's. Thus, by taking lessons from the leaders, it would appear that voluntary centralized delivery can be importantly increased.

Effecting Operations Alternatives

Apart from the peripheral savings of $20-$30 million in net transportation costs, CAR 7 has produced no actionable operations alternatives. However, we do not conclude that none are available. Rather we conclude that Headquarters is not the place to initiate these changes and for three basic reasons. First, the Postal Service is a complex system made up of myriads of individual operations which are importantly determined by local conditions (e.g., plant layout, airline schedules, weather, etc.). Thus, it is difficult and costly to compile field data and build the models needed to direct operations improvement programs from Headquarters. Second, even though market needs and consumer preferences can and should be addressed nationally, they tend to be aggregations of more particularized industry and consumer needs. Significant distinctions tend to get lost in Headquarters fiats and broadside directives. Finally, the success of operations alternatives in the Postal Service, as in other large scale enterprise, tends to vary with the skill and commitment of local staff in cooperation with local clientele.

Recommendations

In light of these, [illegible] makes the following recommendations relative to operations alternatives.

1. The Field Divisions should be encouraged to test operations alternatives and innovations in both process and equipment, consistent with essential system requirements.* The new Divisions have the breadth and depth of management to conduct well conceived and evaluated tests and, given the potential benefits, should be encouraged to do so.
2. The RPMGs should be the focal point in fostering and monitoring operations innovations and see to it that successful innovations are spread across the system. Freed from detailed, day-to-day oversight, the RPMGs should be the focal point for testing new ideas and for cross-fertilizing the best experience of the individual Divisions. Perhaps the RPMGs' single most important responsibility is to stimulate and proliferate sound operations innovations.
3. We believe the three operations alternatives suggested by the Field for this [illegible] would be a good place to start in building a field based program of operations improvements. As discussed earlier, these three were (1) mail processing productivity, (2) second day delivery, and (3) carrier delivery.

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*[illegible] of impact on Technology [illegible] or greater [illegible] modifications to existing equipment.

4. A budget account should be created, initially in the order of $100,000 per division, to underwrite on their own authority the cost of operations innovations, including the modifications to equipment as discussed in the CAR #5 report. In addition, the regions should each have a $400,000 budget to support innovations in the divisions. While we conclude a budget incentive initiative is needed, we believe that administrative restrictions rather than lack of funds is principally holding back wholesome experimentation.
5. Without stifling innovation, Headquarters should maintain oversight of operations alternatives sufficient to ensure essential system integrity. As one step towards this end, Headquarters should accelerate efforts to develop analytic tools and management information which will help headquarters, in conjunction with the regions, assess the system impact, not just the isolated functional cost consequences, of operations alternatives.
6. The Postal Service needs to undertake a multi-functional re-examination of its service standards. Current service standards were established 14 years ago. Changing consumer preferences and customer needs for service reliability should be highlighted in this re-evaluation. Standards should be flexible enough to allow for changes in technology, transportation patterns, relative costs, competition and the like.
7. The Postal Service should determine its real air transportation needs even under current service standards before signing new air transportation contracts (reference CAR #3).

CONCENTRATED AREA REVIEW #7

OPERATIONS ALTERNATIVES

PROJECT STAFFING

Responsible USPS Officer	-	Michael S. Coughlin SAPMG, Operations Support
Department Leader	-	William A. Campbell APMG, Mail Processing
		Andrew S. Walker APMG, Delivery Services
CAR #7 Team Member	-	Eugene E. Fleming, Jr. District Manager Virginia District
		Kenneth M. Lynn General Manager Delivery Division Central Region
CAR Project Manager	-	Richard J. Strasser, Jr. Director, Office of Strategic Management

CONCENTRATED AREA REVIEW #7A

CORPORATE MANAGEMENT

AUGUST 1986

RESTRICTED

REPORT ON CONCENTRATED AREA REVIEW #7A

CORPORATE MANAGEMENT

- The CAR program has introduced a number of fundamental changes in the organization of the Postal Service.

- In the field:

  - Authority and resources for managing current operations have been delegated to 74 Field Division General Manager/Postmasters.

  - The regions have deployed the bulk of their staff to the divisions and now serve as the focal point for (1) General Manager selection and on-the-job training and (2) for promoting innovations and improvements in the field.

  - Field support units have been reorganized and reoriented to reflect expanded division authority and enhanced functional leadership.

- At Headquarters:

  - The number of top executive positions has been expanded to three.

  - The Postmaster General is more focused on key external relationships and critical internal decisions assisted by the Chief Postal Inspector; the Senior Assistant Postmaster General (SAPMG), Finance and Planning; and the General Counsel.

  - Internal activities have been grouped into:

    - An Operations Support group under a Senior Assistant Postmaster General, reporting to the Deputy Postmaster General, and responsible for maintaining essential systems integrity and optimizing the existing system.

    - Functional groups under Senior Assistant Postmasters General (SAPMGs), reporting to the Associate Postmaster General responsible for developing products, markets, facilities, systems and human resources to meet future needs and opportunities.

- With clear functional responsibilities established, the objective of this CAR on Corporate Management was to develop the management structure and processes needed to manage across functions.

CORPORATE MANAGEMENT EFFECTIVENESS:

- By and large, senior management was comfortable in its capability to manage up and down within one functional area.

- However in prior studies (1975, 1983) and during our own extensive interviews, senior management was looking for ways to enhance its management effectiveness across functions, to address critical issues which increasingly are cross-functional in nature (such as ZIP + 4) and to balance functional and corporate demands.

- With this in mind, we assessed the cross-functional management mechanisms currently used in the Postal Service.

  - corporate committees
  - corporate management processes
  - general manager development

- The development of general management personnel is the subject of a separate report (CAR #11C).

- In this report we review in turn:

  - corporate committees, both standing and ad hoc committees.*

  - four corporate management processes--strategic planning, Headquarters budgeting, management auditing and the 186 procedure.**

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*We did not include intrafunctional (i.e., group and department) committees.

**The 186 procedure, named after the form "Directive Issuance Request," is the procedure used to clear the management directives of one functional group through other functional groups affected by, or with an interest in, the subject.

CORPORATE COMMITTEES:

Standing Committees:

- At the senior level there are six corporate committees*:
  - Business Policy
  - Capital Investment
  - Executive Resources Board
  - Technology Planning
  - Executive Safety and Health
  - Executive Equal Employment Opportunity
- These committees vary in procedure and effectiveness (e.g., the Capital Investment Committee gets high marks). But all the committees show room for improvement when measured against the criteria other large organizations use in structuring corporate committees:
  - concise statement of purpose and scope;
  - well-defined relationships to each other;
  - integrated with other corporate management mechanisms;
  - appropriate committee membership, with no substitutes;
  - a well-managed agenda and completed staff work;
  - recommendations include statement of divergent views;
  - regularly scheduled meetings;
  - promptly prepared summary minutes;
  - appropriate information "flow through;"
  - professional secretariat support.
- Moreover, taken together they do not provide senior-level management with the mechanisms they need collectively to support executive management and direct corporate programs.

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* With the recent headquarters reorganization, the present committee structure is in flux.

CORPORATE COMMITTEES (cont.):

Ad hoc Committees:

- o At the next level, the Postal Service is awash in ad hoc committees, task forces and working groups--over 60 at present, not including consultant studies--which are staffed largely from the Headquarters division level and below.

- o Some of these committees involve routine implementing actions and should be abolished. These should be the responsibility of one person appropriately drawing on functional counterparts, not the task for a committee.

- o Others are well intended and frequently successful efforts to cope with genuine corporate issues.

- o However, even when appropriate, the ad hoc committees often fail to meet the committee criteria outlined earlier.

- o In addition, the sheer number and staffing of these committees result in:

  - limited senior management oversight;
  - limited commitment to committee recommendations;
  - difficulties in moving recommendations into the on-going management process;
  - lack of subject matter continuity.

CORPORATE COMMITTEES (cont.):

The Assistant Postmasters General (APMGs):

- When it comes to committees, the third level of management, the APMGs, is a relatively untapped resource.
  - They rarely serve on the standing committees.
  - They infrequently chair the ad hoc groups.
- As a result, this key management level is rarely seen as responsible for committee findings or as committed to implementing their recommendations.
- This does not mean APMGs do not influence corporate decisions. Through briefings to the SAPMGs and by controlling the assignment of ad hoc committee manpower, they are very influential.
- However, their involvement can be made more effective by more clearly defining their participation and accountability. This is one objective of the recommended committee structure which we next discuss.

CORPORATE COMMITTEES (cont.):

Recommendations:

To reflect the Postal Service's new management structure and philosophy and to make more effective Headquarters management's corporate role, we recommend that the existing corporate committee structure and practices be fundamentally overhauled.

As to practice, we recommend an officer position to serve as secretariat to the committees and to be the focal point for improving committee operations.

As to the corporate committee structure, starting from the top we recommend a new structure as follows:

1. Corporate Executive Committee

   *Membership: Postmaster General, Deputy Postmaster General and Associate Postmaster General.

   Frequency: One-half day every other week.

   Purpose: To assist the Postmaster General in establishing management policy and objectives; approving major plans, programs, budgets etc; and addressing key issues.

2. Corporate Managers Committee

   Membership: Executive Committee, Senior Assistant Postmasters General (including the General Counsel), Chief Postal Inspector and Regional Postmasters General. APMG-Communications, APMG-Government Relations ex-officio.

   Frequency: One full day; monthly.

   Purpose: Coordination and communications among Headquarters and regional senior management.

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*In all committees other members of management may, as appropriate, be invited to attend.

CORPORATE COMMITTEES (cont.):

Recommendations (cont.):

3. Corporate Program Committee

   Membership: Senior Assistant Postmasters General, General Counsel.

   Frequency: one-half day every other week; two full days monthly over eight months of the year.

   a. The regular half day meeting:

      1. Discuss current developments; share items of mutual concern.

      2. Review status reports from the four program area committees.

      3. Review program proposals going forward to the Executive Committee.

      4. Consider capital investments and other budget items.

   b. The two full day meetings:

      1. consider sequentially each program area in-depth; purpose, direction, scope, resources of current program;

      2. Recommend changes for the next 12-18 months;

      3. Assess the need for longer term reorientation. The Executive Committee should participate during the sessions on longer term reorientation. The Planning Department should also be extensively involved.

CORPORATE COMMITTEES (cont.):

Recommendations (cont.):

4. Program Area Committees

The foundation of the new corporate committee structure will consist of four program area committees:

1. Human Resources
2. Operations
3. Services and Prices
4. Technology

Membership: Senior Assistant Postmasters General, Chairman; Assistant Postmasters General/offices most involved in and/or affected by the program area.

Frequency: one-half day monthly; twice annually as the subject of a two-day Corporate Program Committee meeting.

Purpose: Each Program Committee would:

- Develop program area goals and objectives, plans and budget requests;
- Set up program studies and projects; monitor progress and results;
- Approve recommendations; forward comments on significant divergent views;
- Present monthly progress report and semi-annual in-depth reviews.

PROGRAM AREA COMMITEE MEMBERSHIP

Chairman, SAPMG for	Human Resources Human Resources	Operations Operations Support	Services & Prices Marketing & Communi-cations	Technology Management Information Research Technology
APMG Member				
Communications	X		X	
Consumer Advocate			X	
Controller		X		
Delivery Services	X	X	X	X
Employee Relations	X		X	
Eng. & Tech. Support	X	X		X
Facilities		X		X
Government Relations	X	X		
Deputy General Counsel			X	
Information Resource Management	X	X	X	X
Inter'l Postal Affairs			X	
Labor Relations	X	X		
Mail Processing	X	X	X	X
Marketing		X	X	
Planning			X	X
Procurement & Supply		X		X
Rates and Classification		X	X	
Technology Resources				X
Treasurer	X			

MANAGEMENT PROCESSES:

- Four management processes can be key to effective corporate management:
  - Strategic Planning
  - Headquarters Budgeting
  - Management Auditing
  - 186 Procedure*

- We reviewed each of these processes in the Postal Service, not in technical detail but rather as to how well they serve the corporate management process. We conclude:
  - The strategic planning process falls short because the resources needed to achieve the objectives set are not explicitly programmed and controlled.
  - The budget process is primarily concerned with controlling line items of expense, not with the purpose of an organization unit or its key activities.
  - The program area committees, particularly through the in-depth reviews, will provide the missing program link between strategic planning and budgeting and will strengthen both in the process.

- Increasingly, the Inspection Service carries out management audits. These audits would better serve the corporate management process if they were to include specifically cross-functional reviews. Such reviews should be outlined in the management audit handbook.

- Finally, as one result of the committee processes functioning effectively, the 186 process will become the final coordinating mechanism for implementing decisions.

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*The 186 procedure, named after the form "Directive Issuance Request", is the procedure used to clear the management directives of one functional group through other functional groups affected by, or with an interest in, the subject.

SUMMARY RECOMMENDATIONS ON CORPORATE MANAGEMENT:

- In summary, CAR recommendations should substantially strengthen corporate management by:

  1. Organizing the corporate committee structure around four key program areas, moving up through the Senior Assistant Postmasters General to the Executive Committee.
  2. Programming the Assistant Postmasters General into the corporate management process.
  3. Replacing ad hoc committees with cohesive program area management.
  4. Strengthening strategic planning and Headquarters budgeting by providing the essential programming link.
  5. Underscoring senior management's corporate (versus functional) role.
  6. Facilitating senior management corporate program involvement without increasing its committee load (see table following).
  7. Providing secretariat support to corporate committee operations.
  8. Revising the management audit and 186 procedures.

SENIOR MANAGEMENT CORPORATE COMMITTEE MEETING DAYS PER MONTH*

	Executive Committee (4 hours per)	Managers Committee (8 hours per)	Corporate Program Committee (4 hours per)	Corporate Program Area Committees (4 hours per)	Total
Postmaster General	2	1			3
Deputy Postmaster General	2	1			3
Associate Postmaster General	2	1			3
Chief Postal Inspector		1			1
General Counsel		1	2		3
SAPMG, Operations Support		1	2	1	4
SAPMG, Marketing & Communications		1	2	1	4
SAPMG, Management Information & Research Technology		1	2	1	4
SAPMG, Employee & Labor Relations		1	2	1	4
SAPMG, Facilities & Supply		1	2		3
SAPMG, Finance & Planning		1	2		3
RPMGs		1			1

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*Does not include two day semi-annual in-depth reviews of each of the four program areas.

CONCENTRATED AREA REVIEW #7A

CORPORATE MANAGEMENT

PROJECT STAFFING

Responsible USPS Officers - Jackie A. Strange
Deputy Postmaster General

Fletcher F. Acord
Associate Postmaster General

CAR #7A Team Member - Patricia M. Gibert
General Manager
Regular Mail Service Division
Marketing Department

CAR Project Manager - Richard J. Strasser, Jr.
Director, Office of Strategic Management

CONCENTRATED AREA REVIEW #8

MARKETING

AUGUST 1986

RESTRICTED

CONCENTRATED AREA REVIEW #8

MARKETING

The purpose of CAR #8 was to review and recommend changes in USPS marketing organization, programs and resources to enhance its capacity to generate "profitable" revenues consistent with its mandated service responsibilities.

- o CAR #8 was focused internally. Implementation of its recommendations is largely within USPS authority.
- o Two other CARs also encompassed Marketing but from different points of view.
  - CAR #7A, Corporate Management. Marketing programs can importantly impact Operations. Moreover, in the reorganization several market-related functions were left outside the Marketing and Communication Group (e.g., Office of Mail Classification). Thus marketing decision processes were an important part of the CAR #7A study of Corporate Management. The recommendations from that review are reflected in this report.
  - CAR #8A, Services and Prices, focused on factors largely beyond USPS authority that importantly determine its ability to service customers and generate revenue. While the focus of this review was different, inevitably there is some overlap. While this report stands on its own, we suggest that the CAR report #8A, Services and Prices, also be read.

This report covers in turn:

- Approach to this review.
- Summary of conclusions.
- Marketing in the Postal Service.
- The impact of the reorganization on Marketing.
- Marketing resources.
- Marketing recommendations.
- Implementing these recommendations.

I. APPROACH TO THIS REVIEW:

In this CAR review we:

- Excluded philatelic programs.
- Interviewed a cross-section of individuals involved with and/or informed about Postal Service Marketing:
  - Headquarters officers;
  - Field Managers from Regional Postmasters General to account representatives;
  - Some major mailers and presort houses;
  - Industry trade associations;
  - The USPS advertising agency.
- Reviewed prior studies and analyses.
- Reviewed Express Mail as a case study in marketing planning. (Attached as an Appendix to this report.)

II. SUMMARY OF CONCLUSIONS:

- The recent reorganization has gone a long way to giving Marketing and Communications the role and resources it needs. However,
  - marketing personnel need substantial reorientation, retraining and support;
  - marketing is still in its infancy and must be built into the USPS culture;
  - cross-functional ties are critical and must be strengthened. (Ref CAR #7A, Corporate Management)
- We have questions about the deployment of marketing resources, but no answers.
- We see basic needs in four areas--corporate culture, strategy, market intelligence and personnel development--if Marketing is to fulfill its mission.

III. THE CHARACTER OF MARKETING IN THE POSTAL SERVICE:

Several factors make Marketing's goals of customer satisfaction and revenue generation different.

- USPS is in the service business:
  - it provides multiple services through a single end-to-end system;
  - it depends upon literally hundreds of thousands of postal employees;
  - technology offers little prospect of major breakthrough (Refer CAR #5, Technology).
- USPS by law is a regulated, not-for-profit institution. Basic product and pricing decisions are beyond Postal Service control. Some of the more important consequences are:
  - costly, cumbersome and slow response;
  - inability to finance service improvements through retained earnings;
  - cost-based pricing which can be counter to market needs;
  - scattered authority without accountability for market satisfaction and economic results.
- USPS is in the relatively shrinking segment (i.e., letters) of a growing market, (i.e., messages).
  - The message market is growing at 5% per year.
  - The dominant element of the market, telephone voice messages and data transmission, has in the past and continues to outgrow USPS (4.8%).
  - USPS is effectively barred from the fastest growing electronic elements of that market. While still in the difficult start-up period, these elements are projected to have an 8% market share in the year 2000 (up from 2% today), largely at the expense of USPS.
  - USPS rate of annual growth (3.3%) is projected to result in a 13% market share by the year 2000 (down from 17%). This will likely consist of the more high cost, labor intensive service and market segments.

III. THE CHARACTER OF MARKETING IN THE POSTAL SERVICE (cont.):

o USPS serves diverse markets with varying performance requirements. Market satisfaction depends on business mailers who provide over 80% of revenues. The equally important public image depends on millions of households.

- Markets include: businesses and households; large accounts and small accounts; mailing intermediaries; service bureaus and list brokers; single product and multi-product accounts; Headquarters accounts and accounts dispersed geographically and/or functionally.
- Customers range from businesses using the mail as a vital link in their communications network to individuals who use it as the convenient way to move an occasional hard-copy message or to pay bills.
- Mail can be going from household to household, household to business, business to business, and business to household, both directly and increasingly through intermediaries (presort houses, mailing houses, and direct mail houses).

o Mailed pieces can vary from standard size letters to oversized letters, flats, flimsies, parcels, rolls, bundles and non-machinable outsides.

o 85% of USPS revenues and 90% of volume come from services protected by the Private Express Statutes.

- The estimated percentages of protected mail volumes by mail class (FY 1985) are as follows:

First-Class	99	Express Mail	0
Priority	70	Fourth Class	0
Second Class	0	Government	98
Third Class	96	International	0

III. THE CHARACTER OF MARKETING IN THE POSTAL SERVICE (cont.):

- Protected services must be offered universally at regulatory determined, cost-based rates.

- The term "protected services" is somewhat of a misnomer. These services are not isolated from competition by other forms of message (e.g., newspaper inserts, electronic funds transfer and telemarketing).

- Over the years even the protected letter services have been constricted through exclusions, exceptions and suspensions to the Private Express Statutes and by work sharing with major mailers and intermediaries.

o The unprotected services, though theoretically more under Postal Service control, suffer from regulatory fallout (e.g., cost-based pricing). By and large they have not been successful. (1) Parcel Post volume and revenue have been draining away over the last 15 years. (2) Express Mail is losing market share and volume in large part because it cannot respond to competitive price discounts to volume mailers. In short, USPS is becoming more dependent on its protected services, which themselves are less protected.

o The mixture of protected and unprotected services provided through a single system leads to corporate "split personality." Process-driven needs are pitted against market-driven needs for management attention, corporate resources and operating capacity. More often than not, process needs have dominated.

IV. IMPACT OF REORGANIZATION ON MARKETING:

- The recent reorganization created a powerful new marketing organization.

  1. At the Headquarters level it:

     - combined the Marketing and Communications functions;
     - focused responsibility on one Senior Assistant Postmaster General reporting to the Associate Postmaster General;
     - established peerage for the Marketing function;
     - established Services and Prices as one of four key corporate program areas (CAR #7A, Corporate Management).

  2. At the Regions it:

     - created Marketing as a regional function;
     - reoriented the regional role to marketing planning;
     - reassigned regional personnel in line with the revised regional role.

  3. In the field divisions the reorganization created marketing as a "new" function. It:

     - combined most customer-related activities;
     - highlighted direct sales and customer service;
     - established a sales promotion role;
     - provided substantial staff to carry out the new function (e.g., 200 new Marketing managers; 1800 marketing staff).

- During this reorganization several market-related functions were held outside the Marketing and Communications Group. These included:

     - Office of Mail Classification (Rates and Classification)
     - Address Information Systems (Delivery Services)
     - Advanced Retail Systems (Delivery Services)
     - Auxiliary retail services (Rates & Classification)
     - Customer technical services (field operations and service centers)

- Thus effective interfunctional coordination through the Services and Prices Program Area Committee will be key to effective marketing.

V. MARKETING RESOURCES:

- The FY 1986 budget for the new marketing organization is estimated at $117 million as follows:

	(Millions)
Headquarters*	
Market Research	$2.6
Product Management/Development	5.7
Sales Management	3.1
Advertising	31.9
Communications Support	0.5
Field Support	8.9
Total Headquarters	$52.7
Field Marketing	$64.0
Total Marketing	$116.7

- Observations on Resources:
  - Marketing-related spending is a significant element in USPS discretionary spending (roughly equal to total technology spending).
  - Roughly 60% percent of the field marketing organization consists of personnel transferred from other functions. These individuals, particularly the new marketing managers, will require substantial training and development.
  - Advertising takes 27 cents out of every marketing dollar. To the extent it is product/market advertising, it appears to be out of proportion.
  - Market research amounts to $2.6 million (2.2% of total). It is widely held that better information on markets, customers and competitors is essential.
  - Excluding advertising and market research, Headquarters spends 28 cents for every dollar spent in the field. Offhand, this ratio seems high, though the need may be to spend more in the field.

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*The Marketing and Communications Group has a total budget of $177 million (FY 1986). However, only $53 million is marketing related. The largest part ($125 million) is for stamp production and philatelic programs, international affairs, consumer affairs, and internal communications. These fell outside the scope of CAR #8.

VI. MARKETING RECOMMENDATIONS:

Corporate Culture:

The Postal Service is by tradition a "process driven" organization. To begin the change to a more "customer sensitive" organization, CAR recommends a five-step program.

1. Starting from the top, set the tone and climate for this cultural change. An effective Services and Prices Program Area Committee is key. Internal messages, formal communications and corporate decision-making should reinforce the commitment to change.

2. The Marketing organization must develop/acquire significantly better customer/market intelligence to better target marketing effort and bring fact-founded, well planned, business analyses to the corporate decision table.

3. Postal Service senior managers should develop "first-hand" marketplace sensitivity. CAR recommends that each Senior Assistant Postmaster General, Assistant Postmaster General, and Regional Postmaster General be assigned some customer liaison responsibility to further demonstrate the corporate commitment to change, acquire insight into customer preferences and needs, and experience firsthand the problems faced by the marketing staff, to foster greater market sensitivity in programs and personnel under their direction.

4. Establish up to six marketing test centers in the field. Competitively awarded to divisions, these marketing centers would test alternative marketing approaches (e.g., sales incentive programs, sales training, coordinated sales and promotion campaigns, etc.). These efforts should be monitored by the regions and Headquarters to ensure that proven alternatives are adopted across the Postal Service, but latitude to experiment should remain within the field divisions sponsoring the centers.

5. Establish a benchmark program to "reverse engineer" alternative services and programs. This assessment should result in action plans to meet identified service needs and close service gaps. These plans should be updated as part of the annual planning cycle.

VI. MARKETING RECOMMENDATIONS (cont.):

Marketing Intelligence:

1. Create an office director position responsible for providing/acquiring marketing information. The intelligence/information shortfall in the Postal Service is especially critical as it relates to present and potential customers. As an initial step, implement the findings of the Customer Identification Numbering System Report.

2. Under the office director, mount a program to determine and provide marketing management's most pressing information needs (Refer CAR #10, Management Information.)

3. Augment and rebalance market research activities to include demand and industry research and services development research.

Marketing Strategy and Planning:

o Develop sound directions for Marketing, recognizing USPS's unique position. The Program Area Committee for Services and Prices (Refer CAR #7A) should be the focal point.

1. Develop Postal Service market strategies:

   - determine what can and cannot be done;
   - identify what we want to accomplish;
   - develop plans to implement;
   - communicate to all levels and locations of management.

2. Develop three to five year business plans for each of the major services, starting with services where the Postal Service is losing significant market share. The business plans should include:

   - whether or not and why to continue the service;
   - markets to be developed;
   - customers to be served;
   - products to be used to service customers;
   - assessment of competitive and alternative services;
   - operating impacts and requirements;
   - business financial analysis;
   - investment requirements;
   - regulatory constraints.

VI. MARKETING RECOMMENDATIONS (cont.):

Marketing Personnel Development:

- The Marketing and Communications Group must carry out a major program of management development and skill training.
  - Both Headquarters personnel and account representatives are essentially unchanged. We are pouring old wine into new bottles.
  - Most field managers responsible for Marketing and Communications have limited marketing background.
  - Managers in other functions who interact with marketing have even less.
- The marketing skill training and management development program cannot be taken "off-the-shelf." Also it should take advantage of the new approaches to Postal Service career development outlined in CAR #11.
  1. For Commercial Account Representatives, the need is for a skills training program which reflects their role as the direct sales force and service point of contact. It should include product knowledge, how to sell, commercial account management and customer handling skills.
  2. Division and Regional Marketing Managers need management development programs which reinforce their role and focus on:
     - basic marketing knowledge and skills;
     - implementing market strategies;
     - local planning, development and control;
     - major account management.
  3. Headquarters' Marketing management needs a management development program focused on:
     - business planning skills;
     - market strategy development;
     - marketing information systems;
     - national account development.

VII. IMPLEMENTING THESE RECOMMENDATIONS:

- Insofar as the Postal Service can control its own marketing effectiveness, the recommended program over time will yield results.

- Thus we urgently recommend the following steps:

  1. that the Marketing and Communications Group develop a specific program to implement these recommendations. Within ninety days, it should forward its proposal through the Services and Prices Program Area Committee to the Corporate Committees.

  2. that the programs include a plan for significant, on-going, effective marketing assistance reflective of the Postal Service's nature as a regulated public service functioning in a businesslike way.

  3. that the Services and Prices Program Area Committee make development and implementation of this Marketing program its first order of business.

CONCENTRATED AREA REVIEW #8

MARKETING

PROJECT STAFFING

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THE EXPRESS MAIL PROPOSAL - A CASE STUDY

APPENDIX TO REPORT ON MARKETING - CAR #8

In June, as part of CAR #8, we undertook a review of Express Mail, the Postal Service's urgent mail service, and Marketing's proposal for revising that service. It was not our purpose to develop recommendations on the Express Mail program. Rather we wanted to use the Express Mail proposal as a further test of our CAR #8 findings particularly as they related to the marketing planning process.

BACKGROUND:

In 1970, USPS introduced its Express Mail Service, the pioneer urgent mail service. It experienced continuous and rapid growth during the 1970s, though it faced increasing competition for urgent mail packages. In 1979, following suspension of the Private Express Statute for extremely urgent letters, competition assumed the leadership position in the market. Nonetheless, unit revenue remained much the same and volume continued to grow at a slowing but still significant (30%) rate of annual growth. However, by late 1982, when the Postal Service was starting to prepare the omnibus rate case that resulted in the new rates of February, 1985, market share had peaked at 26%. Given the 1979 suspension, loss of market share was expected, but annual volume did continue to grow in the 20% to 30% range. While the Postal Service was aware that competition was offering enhanced service (on-demand pick up, rapid shipment tracing, dedicated transportation), its 1983 filing did not propose to follow suit.

The Postal Service was, as it saw itself to be, the low cost provider to the mass market and, under pricing regulations, it could not follow competitive moves that required significant front-end investment.

In addition to competitive moves, in 1981 USPS started to experience erosion in on-time delivery performance. From 1981 to 1985 it fell from approximately 95% to 91%. This caused great difficulty particularly with volume mailers.

In 1984-85 the competitive pace quickened. United Parcel Service entered the market and introduced an $8.50 overnight letter rate. Federal Express countered with heavy discounts for volume mailers, separate pricing strategies for next-morning and next-afternoon delivery, and reduced rates for drop off. Other competitors followed suit with price discounts. In October 1984 the Postal Rate Commission recommended an increase in the basic 2 pound pack rate from $9.35 to $10.75. USPS implemented the rate in February 1985.

The Current Situation:

The estimated 1986 fiscal year end situation is as follows. Despite intensive selling efforts by customer service representatives, despite a major turnaround in on-time delivery (up to 97%), despite extensions in collections and transportation, revenue market share is 13%. Market share based on volume is down to 12% (for an average annual loss of 3.5 percentage points since 1982). The market is estimated to be growing at 15% per year with a total market of roughly $4 billion. For the first time USPS total volume and revenue are down, 9% under 1985. Revenue per piece is up 15 cents to $12.35, with half the volume from letter size (8 oz.) and half from the basic 2 pound package and heavier pieces. Express Mail financial results for 1986 are estimated as follows:

	$million	Per Piece
Revenue	$525	$12.35
Attributable Cost (FY 1985)	$210 (40%)	4.95
Contribution to Institutional Cost	$315	7.40

Marketing Proposal:

In May 1986 Marketing has proposed the following program to maintain market share (i.e. USPS to grow at 15% per year).

- Pricing Action:
  - o Create a competitive letter rate (8 oz.) by reducing prices 30% to $7.50/piece. Since letters represent half the volume, this would effectively reduce average prices by 15%.
  - o File this new rate with the Postal Rate Commission (PRC) as a separate rate filing.
- Service Actions:
  - o Arrange for a 30 city network of dedicated air transportation. Estimated cost $115 million per year.*
  - o Provide reliable morning delivery through carrier rescheduling, greater use of special delivery messengers, local transport etc. $25 million per year
  - o Implement improved tracing system in 90 cities (after a series of tests). $15 million per year
  - o Arrange more convenient pick up (e.g. additional store fronts) $10 million per year.
  - o These added service costs total $165 million per year. They are estimated to be attributable-fixed costs, (i.e. assignable to Express Mail but not varying with volume).

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*Costs estimates were compiled by the CAR team.

In Table 1A, following, the CAR Team prepared an estimate of revenue, attributable costs and contribution to institutional costs based on Marketing's program assumptions. They indicate that: (a) even in the worst year, 1988, attributable costs would be covered by revenue, (b) the current level of annual contribution, $315 million, would be regained by 1992 and, (c) cumulative contribution through 1995 would amount to roughly $2.6 billion.

To provide a basis for comparison, the CAR Team developed projections on the basis that no major action is taken relative to Express Mail (See Table 1B). On this basis it was assumed that USPS would continue to lose volume at the rate of 10% per year until it reached 5% share of market which it would hold. This is analogous to USPS experience with Parcel Post. Under these assumptions: (a) the present level of annual contribution ($315 million) is regained through market growth by 1993, and (b) the cumulative contribution through 1995 is the same as under the Marketing proposal ($2.6 billion). However, under the Marketing proposal, in 1995 market share is projected to be twice as high (10% versus 5%) and annual contribution roughly one-third greater ($560 million versus $420 million).

Obviously the credibility of each of these tables is based on key assumptions. Key to the Marketing proposal are (1) the Postal Rate Commission will approve the new rates in a separate filing at the proposed level and on the assumed schedule, (2) this intensely competitive market will stand still if USPS moves to become a price leader, (3) the proposed prices and service enhancements are important to the market which USPS seeks to keep (targets not specified in the Marketing proposal). Key to the no-action alternative are the assumptions that (1) USPS must continue to provide urgent mail service (2) there is a core customer group equal to 5% of the market who will pay somewhat more for less urgent service and who can be serviced by USPS at a 60% contribution over attributable costs. Both alternatives depend on a continuing 15% market growth, though the Marketing proposal is more dependent on that growth.

TABLE 1
ESTIMATED REVENUE, COSTS AND CONTRIBUTION
A. MARKETING PROPOSAL

Assumptions:

- Implement service improvement actions in 1987. ($165 million attributable fixed costs).
- Implement 30% letter price cut in 1988 after Postal Rate Commission approval (average price cut 15%).
- After the price cut attributable costs are 46% of revenue.
- Volume and revenue in 1987 will be equal to 1986.
- Volume and revenue increase 15%/year beginning 1988.

FY	Vol.	Rev.	Attrib. Costs	Proposed Fixed	Annual Contrib.	Cumul. Contrib.
1986	42.5	$525	$210	N/A	$315	-
1987	42.5	525	210	$165	150	
1988	50.0	515	240	165	110	$260
1989	58.0	590	275	165	150	410
1990	67.0	680	320	165	195	605
1991	77.0	780	365	165	250	855
1992	89.0	900	420	165	315	1170
1993	102.0	1030	480	165	385	1555
1994	117.0	1185	555	165	465	2020
1995	135.0	$1365	$640	$165	$560	$2580

($million 1986)

B. NO MAJOR ACTION ALTERNATIVE

Assumptions:

- USPS loses volume at the rate of 10% per year until 1990 when it reaches 5% market share.
- Starting in 1990 USPS maintains 5% market share, i.e. grows at 15% per year.

FY	Market Size	Express Mail Market Share	Rev.	Attrib. Costs	Annual Contrib.	Cumul. Contrib.
1986	$4.0B	13.1%	$525	$210	$315	-
1987	4.6	10.2	470	190	280	
1988	5.3	8.0	425	170	255	$535
1989	6.1	6.3	385	150	235	770
1990	7.1	4.9	345	140	205	975
1991	8.0	5.0	400	160	240	1215
1992	9.3	5.0	460	185	275	1490
1993	10.6	5.0	530	210	320	1810
1994	12.2	5.0	610	240	370	2180
1995	$14.1	5.0%	$700	$280	$420	$2600

Observations on the Marketing Process:

Express Mail was selected as the case study in marketing planning for several reasons. It has been losing market share and now volume. More marketing information was available than for any other service. A task force had been at work on developing a new marketing strategy and had drafted a briefing for the Board of Governors. Express Mail is an unprotected service where competitive interaction is particularly important.

While a single case is not compelling, the Express Mail case reinforces our CAR #8 conclusions.

1. Market intelligence is woefully weak. Available data provides little insight into market segments, specific customer requirements, competitive advantages, and which types of customers are being lost.

2. Marketing strategy and planning need fundamental overhaul. At least at the time of our case study (June) key assumptions had not been documented. The marketing proposal had not been reduced to rigorous financial analysis or subjected to sensitivity tests and trade-off comparisons. There had been no systematic effort to assess the likely position of the Postal Rate Commission, competitive counteractions or the impact on USPS public posture.

3. The Marketing Group must carry out a major program of management development, The planning and analysis shortfalls listed above are not the result of unwillingness on the part of Marketing personnel. It is principally due to the lack of an effective planning process and adequate training in it. One gets the feeling that service problems get immediate attention and response. Issues of marketing strategy remain unaddressed and unresolved.

4. Marketing will need significant, continuing, outside support as it proceeds with its program of internal management development. However, if this assistance is to be productive it must be reflective of the nature of the Postal Service as a government sponsored service institution functioning in a business-like way.

Observations on the Proposal Process (cont.):

Beyond the lessons learned relative to CAR #8, the Express Mail case bears on issues addressed in CAR #8A, Services and Prices and CAR #7A, Corporate Management. Relative to CAR #8A, can USPS under present pricing regulations ever hope to be a significant provider of service in unprotected markets? Is there a threshold share of market below which USPS should be permitted to discontinue a service? What are the implications for the health of the Postal Service if it is required to be the provider of last resort no matter how limited and uneconomic that last market segment may be? At what point should service disaggregation become a matter for fundamental concern?

Relative to Corporate Management (CAR #7A), the Express Mail case reinforces the conclusions reached. The Express Mail project was carried out by an interfunctional task force from the technical staff level. At the time of the CAR review, the Marketing proposal had not been analyzed by and reviewed with those Assistant Postmasters General whose understanding and support are key to its success. Likewise, significant divergent views were not identified along with the recommended course of action. For example, there appeared to be significant reservations as to PRC approval of the USPS proposal and the advisability of filing a separate rate case. The Services and Prices Program Area Committee will help to avoid these by-products of the ad hoc approach. More importantly it will provide the cohesive forum for addressing many of those fundamental issues that will determine USPS overall marketing effectiveness and economic viability.

CONCENTRATED AREA REVIEW #8A

SERVICES AND PRICES

AUGUST 1986

RESTRICTED

CONCENTRATED AREA REVIEW #8A

SERVICES AND PRICES*

The quality and character of postal services** and the pricing of those services are pivotal to Postal Service success. They set the level of income to cover operating costs and to service the debt incurred for capital investment. They importantly determine customer satisfaction, competitive position, and public and Congressional assessment of the U.S. Postal Service. Thus, postal services and their pricing were included as a key element in the CAR program.

However, even though part of the CAR process, this review of services and prices of necessity had a different goal. The other CARs were geared to recommend new organization structures and management processes, to identify actionable areas of opportunity, and to lay out implementation plans to effect change over the near term. CAR #8A could not serve those goals. The CAR program was restricted to the Postal Service, whereas the Postal Rate Commission (PRC) that plays the key role in establishing the structure and prices of postal services is an outside, independent body. Thus, in this review of services and prices, CAR planned only (but importantly) to develop recommendations that would set a framework for further study and serve as a catalyst for longer-term action.

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*While this report stands alone we suggest a second CAR report #8, Marketing, also be read.

**In this report the terms "products" and "services" are used interchangeably. We appreciate that this is not the case. The Postal Service is in the service business.

In this report we cover the following:

1. The legislation governing Postal Service services and pricing.
2. The trends in Postal Service products and pricing since the reorganization.
3. A program looking toward sound revisions in the organization, processes and legislation which determine postal services and prices.

THE GOVERNING LEGISLATION

Two pieces of legislation govern Postal Service products and pricing. Each is discussed below at some length. While somewhat detailed, we believe the discussion is worth the time to read it.

This legislation, which is pivotal to Postal Service effectiveness, has provided a sound basis for program in managing the nation's Postal Service. However, it has resulted in some processes that are costly, cumbersome and slow particularly in the area of services and prices. Within the Postal Service, the Rates and Classification Department alone contains over 200 people and for 1986 has an annual budget of $15 million. In addition, the Postal Service has to pay the costs of the PRC which amounted to $4.7 million in 1985. There are 43 product rate categories and 4,200 rate elements. The manual for administering postal regulations (the Domestic Mail Manual, or DMM) is 590 pages long. There are major information systems consuming millions of clerical hours in every location principally to compile data for rate proposals. An omnibus rate case, whereby the Postal Service is permitted to change prices and services across-the-board, easily takes 18 months from preparation to implementation. Its cost to the Postal Service including legal and consulting fees is estimated at $4 million per case. The total cost to all parties is estimated in the range of $12-$15 million per case.

THE PRODUCT DEFINITION SYSTEM

Under a series of laws known as the Private Express Statutes, the Postal Service has the exclusive power to deliver letters. Such statutes have been part of the laws of the United States since 1782. They are embodied in Title 39, United States Code, Sections 601-606, and Title 18, United States Code, Sections 1693-99. The definition of the scope of the Private Express Statutes is contained in Title 39, Code of Federal Regulations, Part 310-320. The terms "message" and "letter" are key to the scope. A message is defined as "any information or intelligence that can be recorded on tangible objects including, but not limited to, paper in sheet or card form, recording disk and magnetic tapes." A letter as also defined in the regulation is "a message directed to a specific person or address and recorded in or on a tangible object."

From the earliest times there have been exceptions to the Postal Service's exclusive power to deliver letters. For example, excluded were letters which accompany cargo shipments; letters sent by or addresssed to the person carrying them; letters for which no compensation is paid for carriage; packets of 25 or less letters, provided carriage is on an irregular, infrequent basis; and letters being carried prior to or subsequent to mailing. In 1974, in a follow-up to the Postal Reorganization Act, traditional exclusions from the definition of letter were codified. These exclusions include telegrams, newspapers, periodicals, checks and certain other financial instruments, unaddressed circulars, legal papers, catalogs of more than 24 pages, identical letters sent in bulk, and data processing materials.

There are other areas where the Postal Service has exclusive power to deliver letters, but in which it has suspended application of the statutes. In 1979, at the urging of the Congress, five suspensions* were promulgated for the following materials:

- Additional data processing materials.
- On-campus mail of colleges and universities.
- Extremely urgent letters (e.g., Express Mail)
- Advertisements accompanying parcels or periodicals.
- Documents relating to international ocean shipments.

In 1986, the Postal Service proposed that application of the statutes be suspended from mail in the international remail market.

THE PRICING SYSTEM

The system for pricing postal services is largely established by statute and regulation. Chapter 36 of Title 39, United States Code, establishes the basis for the pricing system.

1. It creates the PRC as an independent body with a separate (but unequal) role in setting rates.
2. It defines the revenue requirement (i.e., overall breakeven).

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* The specific application of the exclusive power to deliver letters is constantly under challenge.

3. It delineates a number of factors to be considered in setting prices and classes of service, with the provision that every class of service at least cover those costs directly attributable to it.
4. It limits the actions the Governors can take in response to a recommended decision from the PRC (see below).

Chapter III of Title 39, Code of Federal Regulations, promulgates the rules under which proceedings before the Postal Rate Commission are held. These regulations set out different procedures by the type of case being filed:

1. Part 3001, Subpart B, establishes rules applicable to requests for changes in rates or fees.
2. Part 3001, Subpart C, establishes rules applicable to requests for establishing or changing the Mail Classification Schedule. Included in this subpart are the rules for experimental changes.
3. Part 3001, Subpart D, establishes rules applicable to requests for changes in the nature of postal services (e.g., airmail service).
4. Part 3001, Subpart E, establishes rules applicable to rate and service complaints.

The five types of cases covered in these regulations (including experimental changes) are designed to handle different situations. This review concentrated on the first type, the rules for changing rates and fees.

It takes approximately 18 months to accomplish an omnibus case on rates and fees. A period of roughly 6-8 months is used by the Postal Service to prepare its proposal. Following a statutory change in 1976, PRC proceedings are now limited to 10 months. This part of the process ends with a recommended decision from the PRC. The Governors then act on the recommendation. Rate proposals and recommendations are made in terms of a single price for each category which remains fixed and available to all mailers until the next rate filing.

The law allows four different types of action by the Governors in response to a PRC-recommended decision:

1. The nine Governors* may approve the recommended decision and order the decision placed in effect.
2. The Governors may, under protest, allow a PRC-recommended decision to take effect and seek judicial review, or return the recommended decision to the PRC for reconsideration.
3. The Governors may reject the PRC recommended decision, and the Postal Service may resubmit its proposal to the Commission for reconsideration. The Governors may then act on the further recommended decision as outlined in step 4 below.
4. The Governors may modify a PRC recommended decision on the resubmitted proposal by unanimous written concurrence upon a finding (1) that modification is in accord with the record and the policies of the statute, and (2) that the rates recommended by the PRC are not adequate to provide sufficient total revenues. The modified rates are then implemented.

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*In matters involving services and prices, other than on the effective date, the Postmaster General and Deputy may not vote.

There is no time limit in which the Governors must make their decision. However, given the fact that the Postal Service typically needs the added revenues available from the new rates, priority is given to avoid delay beyond the 18 months that normally have already elapsed. Up until the last rate case, the Governors reached their decision within the month after receipt of the PRC's recommended decision. In the last rate case, the Governors took three months to accept the recommended decision.

Since the Postal Service was created, seven omnibus rate cases have been filed. In each and every case, the decision has been challenged in the courts:

Docket No.	1st Class Stamp Rate	Filing Date	Implementation
R71-1	8¢	2/01/71	7/06/72 1/
R72-1	10¢	9/25/73	9/14/75
R76-1	13¢	9/18/75	7/18/76 2/
R77-1	15¢	7/13/77	5/29/78
R80-1	18¢	4/21/80	3/22/81
	20¢		11/01/81
R84-1	22¢	11/10/83	2/17/85

1/ Temporary rates were implemented on May 16, 1971.
2/ Temporary rates were implemented on December 31, 1975.

On average, there have been approximately two years between cases. Since 1977, the Postal Service has been filing only once every three years to provide greater rate stability. This is said to facilitate planning by major business mailers. However, under the break-even mandate, this stretch-out means that the Postal Service is operating at a larger deficit at the time of the rate case than if rate cases were filed more frequently. Hence added pressure is placed on the Governors to accept PRC's recommended decision.

Over the years the Postal Service and the PRC seemed to be drifting apart in their price determinations. For example, in the 1980 rate proceeding the Commission reduced the Postal Service revenue requirement and proposed rates by almost $1 billion. In the rationale for its reduction the PRC included (1) elimination of provisions for recovery of prior years losses, (2) reduction in forecasted workman's compensation and (3) reduction in the contingency provision. However, the current situation is said to be much improved.

PRODUCT AND PRICING SINCE THE REORGANIZATION

Over the last 16 years, the legislation governing the Postal Service has remained basically unchanged. However, major changes have taken place in the market for postal service and the competition for large-scale business volume. We touch on the major changes as background to proposals to update the legislation and processes governing services and prices.

The Monopoly Position

There seems to be two extreme points of view relative to postal services and prices. One holds that, thanks to Private Express Statutes the Postal Service has a monopoly and doesn't have to worrry about markets and market share. The other holds that the Postal Service is growing thanks only to its monopoly position in the message market. Neither point of view is correct.

The Postal Service is growing, at 3.3% a year. However, its share of the message market is shrinking and is projected to fall from the current 17% share to 13% by the year 2000. The telephone industry, the long dominant factor in the message and data transmission market, is growing at an annual rate of 4.8%. After an earlier attempt (i.e., ECOM), the Postal Service is effectively barred from the newer, business-oriented, electronics-based elements of the message market. These are estimated to increase market share from 2% to 8% by the year 2000, largely at the expense of the Postal Service.

This is not to say that the Postal Service does not benefit from monopoly protection within the slower growing letter market. In fact, in 1985, 91% of total Postal Service volume, 88% of revenue and 81% of attributable costs were associated with the so-called protected mail classes. But, through exclusions and suspensions and through the process known as work sharing, the Postal Service's role is reducing even in the "protected" product markets.

		U.S. POSTAL SERVICE			WORK SHARING* Revenue Incentive		
Class Of Mail	Protected % est	Volume Billion	Revenue ($million)	Attrib. Cost ($million)	%Total Volume	% Revenue	%Attrib. Cost
First	99	72.4	16,740	10,292	27.2	4.0	6.5
Third	96	52.2	4,887	3,722	67.6	23.6	31.0
Government	98	3.3	918	406	NA	NA	NA
Priority	70	.3	960	438	NA	NA	NA
Total Substantially Monopoly		128.2	23,505	14,858	42.9	7.7	12.2
% Total USPS		91.5%	87.6%	85.3%			
Total USPS 1		140.1	26,802	17,408	39.3	7.4	11.4

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*Work-sharing refers to work done by major mailers to prepare the mail prior to entering it into the Postal Service mail stream (e.g., by presorting,). For this work mailers earn revenue incentives (i.e., discounts). Under the cost-based pricing system, the discount is related to reductions in USPS attributable costs as a result of the preparation.

As the table above shows, work-sharing incentives were earned on almost 40% of total USPS volume. These earned incentives totalled $1,981 million and were equal to 7.4% of total USPS revenue and 11.4% of total attributable costs. Among the protected classes, these incentives were applied to 43% of volume, and equalled 7.7% of revenue and 12.2% of attributable costs.

Work-sharing incentives play a key role in USPS service marketing. The so-called protected products are not isolated from competition. For example, newspaper inserts provide much the same service as Third-Class mail. Direct mail advertising is but one of many forms of direct consumer advertising. Thus revenue incentives can be key to service effectiveness and competitive position.

However, the number and magnitude of revenue incentives have reached the point where they should be reassessed individually and collectively. As a case in point, in the fast growing, Third-Class (i.e., bulk business) mail category, earned incentives applied to 68% of the volume and reached the equivalent of 24% of revenue and 31% of attributable costs. In fact, in each class where work sharing applies, incentives have approximately doubled over the last five years. In 1986 they are predicted to increase by an additional 20% and are likely to grow even faster as ZIP + 4 takes hold.

As noted earlier, exclusions and suspensions, like revenue incentives, have also removed significant postal volume from protected status. There are no data available to measure just how large a market these represent.* However, the total "urgent mail" market is estimated at $4 billion; the international mail market at almost $1 billion. It seems fair to guess that as a result of exclusions and suspension USPS now competes in markets totalling $6 billion. This is the equivalent of 20% of present USPS revenue.

In summary, USPS is losing market share to the other segments of the message industry. While USPS is unquestionably advantaged by the Private Express Statutes, the so-called "protected products" are by no means isolated from alternatives, and even within the protected categories, USPS is "losing shares" through exclusions and suspensions and, in effect, through work sharing. That remaining share, even in the dominant First-Class Mail market, is increasingly the more difficult to automate, labor-intensive mail markets and services.

Postal Customers:

Since reorganization 16 years ago, the Postal Service's customer base has likewise changed. Again, available data is woefully weak, but in 1971, First-Class Mail moving from household-to-household was a significant factor in the mail stream, perhaps 15%. Today household-to-household mail is proportionately less important, as business organizations and institutions are said to be involved in over 93% of all First-Class mailings.

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*CAR #8 addresses this and other marketing information needs.

Since 1981, Third-Class mail (i.e., bulk business mail), has grown from 14.4% to 18.2% of total Postal Service revenue, even after substantial revenue incentive earnings. Presort houses* today account for roughly 10% of First-Class volume. They hardly existed seven years ago. Today, order fulfillment houses, direct mail agencies and coupon distributors are major mailers of increasing importance to the Postal Service.

Even the traditional large mailers are changing in terms of what they want and how they interface with the Postal Service. We have already touched on work sharing. In addition, large mailer preoccupation with a single class of mail may be changing. For example, newpaper publishers, normally identified with Second-Class mail, find from their own survey that they spend as much and more on First and Third-Class mail. There is a sense that large mailers are starting to think of themselves as a separate customer category for all mail volume, rather than just the dominant players in a single mail class.

In summary large mailers are the growing factor in USPS business. Their needs from and involvement with the Postal Service are changing. They are knowledgable, sophisticated and effectively vocal before the Postal Rate Commission, the courts and Congress about their requirements for postal products, prices and service levels. Postal Service marketing, product and pricing programs must continue to adapt to these changes if USPS is to effectively serve the market.

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*Presort houses are organizations which aggregate and process mail for business organizations in sufficient volume to afford automated equipment and earn larger revenue incentives.

Competitive Services:

In 1985, 8.5% of volume, 12.2% of revenue and 14.6% of attributable costs were in mail products not protected by the Private Express Statutes.

Class of Mail	Total Volume	Revenue	Attributable Cost
Urgent Mail	47M	$544M	$ 231M
Second	10,380M	1,093M*	984M
Fourth	576M	763M	716M
International	829M	882M	606M
Total Unprotected	11,820M	$3,282M	$ 2,537M
% of Total USPS	8.5%	12.2%	14.6%
Total USPS**	140,100M	$26,818M	$17,408M

Ever since reorganization, unprotected mail as a share of total Postal Service mail volume has been declining.

1970	15.2%
1975	14.1
1980	12.7
1985	10.3

In and of itself, this is not startling. Over the last five years, Third-Class mail revenue, net of discount, has increased an unprecedented 85%. Consequently, every other class of mail has lost share of total postal revenue. What is disturbing is the fact that USPS has dramatically lost share in the markets for these unprotected services.

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* Net of $156 million in revenue incentives.

**The $15 million mailgram business is omitted from the sub totals in this table and the table on page 9.

Take parcel post (which is included in fourth-class mail) as an example. At the time of the reorganization in 1971, the Postal Service earned its highest parcel post revenue ever and was roughly equal to the United Parcel Service (UPS) in volume. Today volume market share has plummeted to under 8%, revenue is down by one third and revenue as a percent of attributable cost is down from 139.1% to 106.6%. Urgent mail is another example. In 1970 USPS announced Express Mail, the pioneer in the expedited mail delivery market. After continuous and rapid growth during the 1970's, in 1982 USPS market share peaked at 26%. In 1985 volume peaked at 45 million pieces. 1986 estimates call for a volume of 42.5 million pieces and a market share of 12%, down 14 percentage points in four years. Results such as these with unprotected products raise questions about Postal Service effectiveness in all products.

Even the most rabid Postalphile has to concede that the Postal Service might have done better. But the Postal Service alone is not accountable for this performance. For example, over the past three years the urgent mail market has experienced widespread volume discounting to large mailers. As more market entrants battle for share, USPS has to wait 18 months for the regulatory pricing process to wend its way to a decision. And in the most recent decision (the R84-1 docket with rates becoming effective in February 1985), the PRC "recommended" an Express Mail price increase. By contrast, the recently "suspended" international remail market is also under intense competitive pressure. However, in this case, since USPS is not under the PRC for international mail, it can and has adjusted it prices and products to remain an effective service provider in this market.

Regulatory inflexibility affects more than changes in rates and fees. As noted earlier, there are separate subparts in the regulations governing PRC proceedings which are applicable to filing complaints, changing the mail classification schedule and even making experimental changes. As a case in point, last year the Postal Service filed to conduct an experimental test using the destinating bulk mail centers to provide improved parcel service. After lengthy litigation, the PRC recommended against even an experimental test until USPS could provide better cost data.

Relative to the unprotected products, the record is poor, and the program outlined in CAR #8 to strengthen USPS marketing planning, information, resources and skills is urgently needed. But even if this marketing program were an instant success, that would not solve the problems rising from regulatory inflexibility, delay, divided authority without accountability, unanimous consent, cost justification, breakeven etc. The Postal Service should study withdrawal from any market where it has a share less than 10% on the assumption that there is not sufficient public demand to warrant the time and facilities needed. Under present pricing inflexibility and delay, the Postal Service is left in the unhealthy position as the service provider of last resort. More fundamentally, the range of issue associated with price and service regulation and the basic issues involving the public-private balance should be a matter for serious congressional study.

Price Levels:

Any review of Postal Service post-reorganization performance should include price levels. There appears to be some belief that the Postal Service has used its position to extract exorbitant rates. Since reorganization, the price of a First-Class stamp has gone from 6¢ to 22¢ today, an increase of 267%.

First of all, as discussed earlier, the Postal Service does not set its own rates. Moreover, in reflecting on this price increase, it is useful to think back to 1971 when the Postal Service was reorganized. The old Post Office Department was not an attractive venture that someone wanted to acquire. The Government wanted to be rid of it as a Government department. It was proving to be increasingly unmanageable and, in 1971, received 24% of its revenue from appropriated funds. In fact, if the Post Office then had had to depend on earned revenue as it does today, the 6¢ stamp would have been 7 1/2¢. Also as part of the reorganization, an incremental 8% wage increase was granted. This may have been exactly what was needed to get a businesslike Postal Service started, but its effect remains in the price today.

While it is important to set the record straight, it serves no useful purpose to stir the ashes of the past. Dealing with the present, if the price of the "fully-priced" stamp of 1971 had been raised with the consumer price index (i.e., up by 162%) then a First-Class stamp today would cost 19¢ today. In fact, it costs just under 21¢ when you consider that 27% of First-Class volume earns a work-sharing discount to 18¢. And it is this latter figure that is more relevant to the future. The revenue incentive has been and continues to rise, doubling in the last five years. Thus, as with other USPS products, there is disaggregation in the mail market which is an issue both for marketing and public policy.

The Postal Service should initiate a three-pronged program to stop this downward drift. First, under the Services and Prices Program Area Committee, it should move aggressively on the internal marketing improvement program outlined in CAR #8. This program involves corporate culture, marketing intelligence, strategy and planning and personnel development. As part of the marketing strategy and planning review, it should address the issues raised here; revenue incentives, "new customers," disaggregation of the mailstream and the service provider of last resort. As the Postal Service demonstrates the capacity to put its own house in order and resolve key issues under its control, other equally urgent changes in policy and regulation beyond Postal Service control should become easier to bring about.

Next, the Postal Service should work together with the PRC to seek out ways and means to improve service and pricing concepts and processes even with legislation as it is. Both these steps will help, but in the final analysis and most fundamentally, the Postal Service must start with the Congress systematically and comprehensively to examine all aspects of the governing legislation and legislative precedents as they affect Postal Service pricing and services (and beyond*). It is by striking the right balance between protecting public purpose and fostering businesslike management that many of the problems confronting the Postal Service (and other Government-sponsored organizations) will be resolved.

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*CARs #2 and #9 set forth the need to review with Congress legislative requirements as they impact financial management and labor productivity.

Clearly this is a problem beyond the scope of the Services and Pricing Program Committee. Given the need for PRC and congressional interaction, this program must be the personal and direct responsibility of the Postmaster General. Through the recent expansion of the executive management group (CAR #1) the Postmaster General should be able to direct more time to this critical third element in the marketing program.

The recommendation that the Postmaster General take the lead in working with Congress and the PRC on the regulatory and legislative issues does not rule out the possibility of an independent "blue ribbon" commission to help examine all the issues of services, prices, productivity, and financial management flowing from the 1970 Postal Reorganization Act. The issues are many. They are complex. They affect a vital public service. They are deserving of the nation's attention and concern if the Postal Service is to serve the nation effectively as it enters the 21st century.

CONCENTRATED AREA REVIEW #8A
SERVICES AND PRICES
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CONCENTRATED AREA REVIEW #9

COMPENSATION AND PRODUCTIVITY

PORTIONS OF THIS REPORT HAVE BEEN DELETED DUE TO THE SENSITIVITY OF THE MATERIAL AS IT RELATES TO COLLECTIVE BARGAINING IN 1987.

AUGUST 1986

REPORT ON CONCENTRATED AREA REVIEW #9

COMPENSATION AND PRODUCTIVITY

The objective of CAR #9 was to identify, evaluate and outline a long-term program to achieve substantial increases in Postal Service productivity and substantial reductions in the cost of postal products and services. Currently, labor constitutes approximately 83% of total operating costs.

In the review, we examined three broad areas relating to Postal Service labor costs: (1) the extent of labor savings necessary to bring about a significant reduction in the labor cost ratio, (2) external constraints to labor cost reduction, and (3) internally available alternatives to increasing productivity. We categorized these alternatives into three groups: (a) Management Initiatives, (b) Internal Resource Utilization, and (c) External Resource Utilization. Each is covered in a section following.

In this review, we interviewed postal management officials from operations, finance, human resources and technology. We also interviewed within three regulated service companies. Since this CAR was only to explore alternatives for management and not prepare concrete recommendations, interviews were not scheduled with officers from the four major postal labor unions (i.e., National Association of Letter Carriers, American Postal Workers Union, National Rural Letter Carriers Association, and National Post Office Mailhandlers, Watchmen, Messengers and Group Leaders, AFL-CIO).

For this CAR, we reviewed internal and external studies and articles covering a broad spectrum of subjects relating to compensation and labor productivity. However, the purpose of these data was to indicate broad directions, not to support detailed findings with in-depth statistical analysis.

THE LABOR COST RATIO:

Before discussing the labor cost ratio and a program to increase productivity, the table below sets forth general statistics on the level, cost, and composition of the Postal Service work force in 1985 and in 1971 at the time of the postal reorganization.

	1985	1971
Number of employees	745,000	729,000
Full time	586,000	546,000
Other	159,000	183,000
Total Labor Cost	$24.3B	$7.5B
Total Operating Expenses	29.2B	9.0B
Labor Cost Ratio	83.2%	83.3%
Work Years	756,000	724,000
Labor Cost per Work Year	$32,200	$10,300
CPI Increase	--------162%---------	
Volume (pieces of mail)	140.1B	87.0B
Pieces Per Work Year	185,000	120,000
Labor Cost Per Hour Paid		
Non-bargaining	$17.07	5.45
Bargaining	14.24	4.28
Elongated	11.71	--
Casual	5.80	--
Revenue	$28.7B	$8.8B
Government Appropriation - $	1.0B	2.1B
%	3.7%	23.9%

THE LABOR COST RATIO (cont.):

Of these statistics, the most noteworthy is the labor cost ratio. Payroll-related costs constitute roughly 83% of total Postal Service cost today just as they did 15 years ago at the time of the postal reorganization.

The 83% level itself is not particularly noteworthy. What makes the statistic noteworthy is the fact that, despite 15 years as a government-sponsored "businesslike" organization, and despite substantial investment in plant and equipment, the ratio of labor costs to total operating expense remains much the same.

There are two factors beyond the direct control of postal management which cause this persistently high ratio: (1) mathematics and (2) external contraints. As to the mathematics, when the numerator in a fractional ratio makes up the bulk of the total fraction, even a significant reduction does not make much difference in the ratio. Thus, assuming all other costs remain the same, for the Postal Service to achieve a 5% reduction in the current labor cost ratio (i.e., from 83.4% to 78.4%) it would have to reduce the total labor cost by 27% (i.e., $6 3/4 billion or the equivalent of 200,000 employees).

EXTERNAL CONSTRAINTS:

Also beyond direct postal management control are provisions of the Postal Reorganization Act (PRA) which importantly influence the Postal Service's ability to increase labor productivity. First is the provision that the U.S. Postal Service break-even; no more, no less. Consequently all labor cost reductions are passed through either by stretching out the time between rate changes and/or by holding down the rates finally set. This pass through tends to lock in labor costs both as a percent of revenue and as a percent of total cost, as discussed earlier.

Beyond the mathematics, the break-even provision can have a number of adverse substantive consequences. Break-even, no more, no less, can create a sense of complacency in labor and management alike, and it may likely rule out profit-based incentives for management and employees. More importantly, the break-even requirement prevents the Postal Service from making and retaining the earnings needed to attract capital investment in productivity-enhancing equipment and systems. CAR #5 on Technology indicates that the U.S. Postal Service is heavily underinvested in terms of total assets per employee relative to other large service organizations.*

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*CAR #2, Cash and Financial Management, outlines our recommended approach to financing U.S. Postal Service capital investment needs through a program of private financing.

EXTERNAL CONSTRAINTS (cont.):

Other provisions of the Act directly govern compensation and labor relations. The provision that the Postal Service conduct its labor relations through collective bargaining has made the Postal Service more directly responsible for its labor costs.

Moreover, the original legislative provisions which carried forward the wage package prevailing under the prior bureaucratic system (plus a mandated 8% incremental wage increase) and the 1975 amendment which tied management compensation to the Government structure have complicated the process of effectively managing labor productivity and costs.

The PRA also requires that the Postal Service be accountable to the public not only in its day-to-day service, but also through the Congress. Thus, Congress must help ensure an effective, economic, service-oriented Postal Service. However, postal patrons and roughly 800,000 postal employees are located in every congressional district throughout the nation and are a significant segment of the congressional constituency.

Beyond having to balance Postal Service needs with constituent needs, the Congress is required to ensure the right balance between the Postal Service's public service responsibilities and its effective use of business management methods.

EXTERNAL CONSTRAINTS (cont.):

In this difficult balancing process, Congress has intervened in decisions that are routinely delegated to management; for example, office closings, delivery schedules and modes, and automated systems.

Trade-offs between public purpose and businesslike practice involve admittedly difficult decisions, and so long as significant public policy is involved, Congress is the place to make them. But, unless held to reasonable bounds, they compound the problems in managing compensation and productivity. As part of its program to improve productivity, the Postal Service should work with the Congress to develop better ways and means to discharge this dimension of Congress' oversight role.

In summary, factors beyond postal management control compound the problems in effectively managing compensation and labor productivity. Nonetheless the Postal Service must cope with them if it is to meet the demands of the market, remain competitive and maintain economic viability.

OPPORTUNITIES FOR IMPROVEMENT:

As discussed, major reductions in the labor cost ratio are mathematically all but impossible. However, as outlined in the section following, there are opportunities to achieve significant labor cost reduction and productivity improvement in three broad categories. Each is covered in turn and then summarized in an approach for moving toward the realization of these improvement opportunities. The three categories are:

- Management Initiatives
- Internal Resources Utilization
- External Resource Utilization

These opportunity categories are listed in the order which reflects the priority attached to them. The first category, management initiatives, includes steps where management can and should take the lead--e.g., in launching operating innovations and investment programs to increase productivity. The second, internal resources utilization, includes a series of steps that management, employees and unions can take together to help ensure the Postal Service most effectively uses its human resources. Finally the third category, external resource utilization, covers steps the Postal Service can take to utilize outside resources without jeopardizing the essential integrity of the mail system.

MANAGEMENT INITIATIVES:

Since reorganization, through a mixture of capital investments, operational changes and work sharing* with major mailers and mailing service organizations, postal management has annually increased the pieces of mail handled per labor hour worked by an average of roughly 3%. At today's level, this annual increment comes to roughly $1 billion. Thus, as the first step, we considered ways to accelerate the pace of labor productivity improvement from operations alternatives, capital investments, enhanced training and development, and improved management information. (We discuss work sharing under the section on external resources.)

Operations Alternatives:

CAR #7 assessed opportunities for service improvement and cost reduction which do not require capital investment. These we refer to as operations alternatives. One of the alternatives suggested by the field and considered in CAR #7 was moving mail volume to those hours of the day, days of the week and locations where productivity was higher (within the limits of service requirements and plant capacity). The second alternative was to eliminate the self imposed second-day, First-Class Mail delivery service standard. The third alternative was to convert the 34 million door deliveries to a more centralized form of delivery. Each 1% converted was estimated to save an average $10 million per year in delivery cost.

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*Work sharing refers to presorting and other processing of mail before it enters the Postal Service mail stream. Volume mailers earn a discount (called revenue incentive) related to the attributable cost avoided by the Postal Service as a result of the work sharing.

Operations Alternatives (cont.):

CAR #7 reached no operational conclusions on these alternatives, but its findings and recommendations (listed below) are relevant to formulating a comprehensive program to enhance labor productivity.

1. U.S. Postal Service must improve its measures of workload and productivity. The current measures (e.g., first handling pieces, and delivery unit volume) do not effectively reflect changes in the mix of mail and the extent to which it has been processed before entering the mail stream. Likewise, better information is needed to measure the cost and service impact of operations alternatives, in particular, their impact across functional lines. (CAR #10, Management Information, is addressing these issues.)
2. There are significant differences in productivity, service performance and program accomplishments from location to location. To accelerate progress, the Postal Service must learn from the leaders and give greater reward and opportunity to these "intrapreneurs."
3. Field divisions should be authorized and encouraged and innovation funds created, to test operations alternatives and innovations in process and equipment, consistent with essential system requirements.
4. The Regional Postmasters General should be the focal point in fostering and monitoring innovations and in ensuring that successful innovations are carried across the system.

Operations Alternatives (cont.):

5. Division engineering teams and marketing test centers should be established to provide decentralized field centers of innovation. These centers should be competitively awarded to field divisions with funding renewal based on results (Reference CAR #5, Technology and CAR #8, Marketing).

Automation and Mechanization:

Another major contributor to increased labor productivity has been the program of automation and mechanization. Many examples are cited in mail processing equipment where the cost of the investment has been recovered through labor cost savings within two or three years and even sooner. And, as mentioned earlier, CAR #5 on Technology has laid out a program to accelerate investment in improved equipment and systems.

However, as it incorporates mechanization and automation into a comprehensive productivity improvement program, the Postal Service should be sensitive to the following:

2. Automation and mechanization have already been programmed for the largest offices and most easily mechanized operations. For the remaining operations and smaller offices, technological solutions may be long in coming. CAR #5 on Technology concluded there are no miracle cures on the technology horizon for the Postal Service.

Automation and Mechanization (cont.):

3. A significant portion of the capital budget, perhaps 60% or more, must go for new and/or modernized buildings. Sound facility planning can contribute to increased productivity. However, "bricks and mortar" by themselves rarely yield much in the way of a return.

We raise these points not to discourage sound capital investment. Far from it. Rather, it is to convey our sense that increasing labor productivity through increased investment is likely to become increasingly more difficult.

Training and Development:

CAR #11 has recommended a major program to reorient and expand U.S. Postal Service craft training and general management development programs. Among the recommendations are major investments to upgrade craft training facilities and instructional techniques; expand field responsibility for planning and scheduling craft training, innovative field training centers and human resource development; and extend management development before and between the times a manager is promoted. While it is not possible to measure the impact, we are confident that these changes will contribute to improved productivity.

Management Information:

Beyond the specific recommendations from several individual CARS, CAR #10 has laid out a program to enhance management information across the board. Following a study of management information systems from both the user and provider perspective, CAR #10 has recommended an accelerated program of management information development with the field general manager and improved operating information as a prime target. Field use of dollar budgeting, in addition to traditional physical work measures, is said to have importantly contributed to more effective human resource utilization. The Management Information Systems improvement program will do so as well.

Summary of Management Initiatives:

In summary, we are convinced that a well-rounded program of management initiatives, including an accelerated pace of operations alternatives, capital investment, training and development, and management information, can importantly enhance labor productivity improvement. There is no point in trying to guess how much such a program will step up the present annual rate of improvement. However, we do know that even an additional $1 billion improvement would only translate into a 1% reduction in the labor ratio. We do know that there are no miracle solutions. We do believe the best opportunity for enhanced labor productivity will come from harnessing the American talent to improvise and innovate and from making best use of internal resources. This is covered in the next section of this report.

INTERNAL RESOURCES UTILIZATION:

Over the years the Postal Service has undertaken a number of initiatives to make more effective use of postal human resources; for example, employee developed and directed "craft academies," the contract provision allowing for casual labor; the introduction of elongated pay schedules; and the program of attendance control which has reduced the use of sick leave hours

INTERNAL RESOURCES UTILIZATION (cont.):

from 4% to 3% of every 100 hours worked. These gains have not been easy, and they have had attendant costs, but on balance, the Postal Service and the public have come out net ahead.

The program we recommend for labor productivity enhancement through improved internal resource utilization essentially calls for an extension and expansion of what is already being done. However, all elements of the program are subject to difficult collective bargaining.

This program involves opportunities in the areas of labor mix, job restructuring and incentive compensation. We touch on each.

Labor Mix:

There are at least three major opportunities for increasing labor productivity by changing labor mix.* The first has to do with casual labor. The labor agreement between the Postal Service and the American Postal Workers Union (APWU) and the National Association of Letter Carriers (NALC) provides that installations may staff up to 5 percent of the regular work force with casual employees. Based on FY'85 experience, each 1% increase in the casual allowance can reduce prospective labor costs by $100 million per year.

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*The Finance and Planning group currently has an ad hoc committee analyzing the cost and productivity impact of alternative staffing programs.

Labor Mix (cont.):

At the last contract negotiation lower entry rates of compensation were awarded in arbitration in PS grades 1 through 7. This year roughly 100,000 employees were hired to replace attrition and reduce overtime. They were placed in the elongated schedule at an estimated gross savings of over $400 million. Without any change in contract these savings should rise to approximately $800 million per year, gross, within the next year or so.

Today roughly 100,000 employees are part-time flexible employees. These are "in waiting" for and have first call on full-time employment vacancies (approximately 50,000 per year turnover from all causes). However, part-time employment is an established part of the American work life, particularly in the delivery services.

Productivity Incentives:

A formula for productivity payment in the form of a bonus was developed in connection with the 1981 labor agreement by a memorandum of understanding between the Postal Service and the APWU/NALC.

Productivity Incentives (cont.):

In summary, productivity incentives both broad based and job specific are a fact of American work life. It has been estimated that 15% of the total work force participates in productivity incentives. Within USPS there is precedent with the Postal Service unions. It appears that the major barriers to initiating negotiations may be regulatory and legislative. These should be included in the program for congressional review.

Job Restructuring:

The third opportunity to utilize internal resources more effectively is to restructure the work to be done, say through automation and mechanization, and restructure positions accordingly.

Internal Resources Summary:

In summary there are significant opportunities for improved utilization of Postal Service human resources by changing labor mix, through incentive compensation and job restructuring. These, in conjunction with management initiatives, could reduce the labor cost ratio without substantial dislocation to the existing labor force.

The most difficult barriers may be regulatory and legislative. These should be on the agenda for early review with the Congress.

EXTERNAL RESOURCE UTILIZATION:

The Postal Service's approach to providing the public with superior service through its own employees is a basic policy commitment. But even with that commitment, the Postal Service still makes wide use of private means in carrying out its activities. For many ancillary activities, USPS routinely uses outside sources, for example for key punch operators, building repairs, research and development, instruction and training, custodial services in facilities with less that 10,000 square feet.

There are likely additional opportunities. For example, a General Accounting Office (GAO) report estimated that cleaning costs for comparable work could be cut in half if done by contracted personnel. It suggests savings in the order of $75 million per year by extending contract cleaning to larger

EXTERNAL RESOURCE UTILIZATION (cont.):

buildings.

The 1985 USPS bill for contracted services, amounted to 2.55% of total expenses (roughly $750 million) not including over $2 billion for contracted transportation.

Even in the direct production areas the Postal Service makes extensive use of external private resources, in this case through a program of work-sharing. Here the Postal Service offers discounts, (i.e. revenue incentives) to mailers who presort their mail and thus enable it to move more expeditiously through the mail stream. These discounts reflect savings in Postal Service costs attributable to that work. In 1985 the discounts earned amounted to $2 billion. By class of mail they were equal to approximately 6% of First-Class Mail attributable costs; 16% of Second class attributable costs and 31% of the Third class costs. Discounts earned are predicted to rise by 20% in FY'86 and will expand even faster as the ZIP + 4 program increasingly takes hold.*

A suggestion that always surfaces in any discussion of the Postal Service is to contract out major blocks of the core operations to private business. These suggestions seem to view the Postal Service as a confederation of autonomous operations, like a franchised fast food chain. This perception misses the end-to-end systems character of the Postal Service.

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*CAR #8A, Products and Prices covers revenue discounts and related subjects at greater length.

EXTERNAL RESOURCE UTILIZATION (cont.):

For example, roughly 40% of the mail originated in one division is delivered to an addressee in another. What kind of accounting system would be needed to apportion revenue? For another, the Postal Service accepts mail as addressed. On fifteen percent of mail the address is incorrect or a key element is missing (such as the apartment number). Who would make up for the extra time and cost to deliver the mail - the mailing franchise or the delivering franchise? Effective contracting requires that every service called for be specified exactly as required. How would the Postal Service contracting compare to say the Department of Defense or the General Services Administration in size, complexity and effectiveness?

In summary, the Postal Service has and increasingly uses outside resources. Presently almost $3 billion is involved in work sharing discounts and for contracted services excluding transportation.

IMPLEMENTING THE RECOMMENDATIONS:

This CAR has outlined a broad program to enhance labor productivity and reduce labor cost. This program is key to the Postal Service goal of providing superior nationwide service at uniform price and reasonable cost. However, there are ten program elements with many sub-steps, many involving legislative and regulatory change. Thus it will be very difficult to maintain progress, cohesion and a comprehensive strategic overview.

In organizing to move forward with this program two alternatives are available. One alternative is to appoint an overall productivity improvement coordinator. This could be a senior officer-in-charge or a more junior coordinator to monitor and facilitate in each case.

The other is to assign the major components of the program to the cognizant Program Area Committees (recommended in CAR #7A, Corporate Management), as follows:

Human Resources - Training and Development
Labor Mix
Benefits Administration
Incentive Compensation.
Job Restructuring

Operations Support - Operations Alternatives
Contracting Out

Services and Prices - Work Sharing Discounts.

Technology - Automation and Mechanization
Management Information

IMPLEMENTING THE RECOMMENDATIONS (cont.):

On balance we recommend this latter approach. Improved productivity is key to every program area and should be on the agenda of each Program Area Committee. Essential coordination can be achieved through the Corporate Program Committee and ultimately the Corporate Executive Committee.

In any event productivity enhancement should be a USPS top priority. The organization approach should be established and the program initiated without delay.

CONCENTRATED AREA REVIEW #9

COMPENSATION AND PRODUCTIVITY

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CONCENTRATED AREA REVIEW [illegible]

MANAGEMENT INFORMATION

AUGUST 1984

RESTRICTED

CONCENTRATED AREA REVIEW #10

MANAGEMENT INFORMATION

Essential to the effective management of any organization, but particularly to one undergoing major change in management organization and culture is a well designed system of management information. Designing and operating such a system is a demanding management task. Consequently two CARs were undertaken relative to management information - CAR #10, Management Information from the users perspective; CAR #10A from the designers perspective. Together they included interviews with a broad cross-section of postal managers, and an analysis by representative recipients in headquarters and the field of the reports they receive from the present information systems. The findings from both projects are summarized in this report.

In this review four areas were identified for urgent management attention:

Utility of Present Systems: Postal information systems need to support field managers better and facilitate the analysis of reported data.

Developing of New Systems: The highly structured process used for developing large information systems should be supplemented with other processes to expedite the development of urgently needed information.

Priorities for System Development: Although most information needs are addressed by current systems, there is pressing need for improved information about workload, service performance and marketing.

Providing Information Support: The six Postal Data Centers can be realigned to better support the organization.

Each of these areas is addressed in a section following.

UTILITY OF PRESENT SYSTEMS

Two characteristics of postal information systems were identified which can be changed to improve the value of the information systems to postal managers and staff.

> National information systems are designed primarily to meet the needs of headquarters' organizations. Managers at other levels must often duplicate the data collection for national systems to get the information they need.
>
> Postal information systems tend to present data not information. Few are designed to analyze the data or to provide the data in a form suitable for analysis.

National Information Systems. Postal Service national management information systems primarily support corporate functional needs. These systems share a similar architecture: information flows from the point of origination in the field to a Postal Data Center. There it is recorded in the appropriate corporate data bases. Printed reports are then produced for each level of the organization containing data for that level and all levels subordinate to it. Field operating units thus tend to be the last to know.

Field managers have been supplementing the national information systems with local systems using personal computers and office automation equipment. These systems usually collect data redundantly with national systems, either copying the data from forms before submitting them to the data centers, or transcribing the data from national reports onto local reports. (The FLASH system is a prime example of capturing data before it is sent in for payroll and other national uses in order to produce more timely and better organized local management information. The annual cost of operating and maintaining FLASH is estimated to be $50 million.)

Data versus Information. A common concern among the managers interviewed was the need for analytic content in postal information systems. Some have tried to address this problem by incorporating data from national systems into local reporting systems while adding historical data, plan data and trends.

The Corporate Data Base system is a good example of an initial national attempt to address the problem. Data from a number of postal information systems are brought together in a common system and coupled to a powerful analytic tool. The most creative users of the system find they can develop new insights and test new ideas with this system, there by improving their ability to manage. But most managers have not received training sufficient to permit them to make more than rudimentary use of the system.

Recommendations:

The Technology Program Area Committee should block out and monitor a program which would include the following:

1. Develop a new approach to the architecture of management information systems. A model architecture could be developed around the collection and presentation of time and attendance information in the field. A related objective would be to eliminate the need for duplication via the Flash system by mid FY'88.
2. Prioritize redesign of the other key information systems to support management needs at the operating unit level.
3. Establish design standards for postal information systems. These should articulate the types of processing, storage and manipulation of data contemplated at each level. They should stress the use of electronic access to data bases in lieu of printed reports.
4. Set equipment and software standards based on the design standards to provide a common base of technology upon which systems can be implemented and for which personnel can be trained.

Recommendations (cont.):

5. Develop awareness of the analytic potential in postal information systems. Data dictionary and system description information for national systems should be maintained by Information Resource Management Department (IRM) in a form accessible by all postal managers. Managers should be acquainted with the data resources available. The Corporate Data Base should be refined to include better documentation and training, and to permit processing on field computers for more convenient analytic use.

6. Develop a support organization for users of analytic tools. Provide training in the tools themselves and offer technical support in their use and in locating data in postal sytems. Technical support in the use of local processors and telecommunications is also needed. Support should be available to all levels - Divisions, Regions and Headquarters.

7. Revise postal training programs for managers to emphasize the use of information systems, including the basic information systems tools, the analytic capabilities they provide, and the data available in existing systems.

DEVELOPING OF NEW SYSTEMS:

Two areas of concern regarding how the Postal Service develops information systems were identified during the study:

> Developing and implementing a major new information system can take upwards of five years. The Postal Service has limited ability to respond to changing situations in a timely way.
>
> Some of the most innovative information systems are developed outside the formal development process by individuals or small teams who set out to solve a specific problem. However, these systems are seldom proliferated, and almost always stagnate when the original proponent moves on.

Traditional Systems Development. The Postal Service has adopted a formal systems development methodology (McDonnell Douglas' STRADIS). STRADIS provides an orderly process for moving though the systems life cycle from feasibility to implementation and post-audit.

The systems being developed using this methodology were defined in the 1980 Information Systems Plan through the Business Systems Planning (BSP) process which developed a high level strategic view of the information system needs of the organization. Combining STRADIS with the information systems framework defined in the BSP promotes coordination of systems development efforts among the functional organizations, minimizes redundant efforts and helps to insure that data collected by one system will be usable by all related systems. Thus the present process is well structured to provide postal managers with information across sytems and to bring relatively large sets of data together in functional data bases. However, it is slow and does not include a priority setting process or otherwise recognize differences in criticality between and within systems.

The Information Resource Management Department (IRM) is making a number of technical refinements to the process which will save from several weeks to several months. However, these changes do not address the area where most of the time is spent and the need is the greatest: defining the objectives, scope and functions of the new information system. The Postal Service, like most organizations, finds it difficult to develop clear, detailed specifications.

A business systems planning technique that has been gaining favor over the last decade is Critical Success Factors (CSF). This technique, first developed by MIT's Sloan School of Management, concentrates on identifying the five to ten critical factors which will determine the success of the organization over the next several years. These are derived from interviews and focused working sessions with senior managers. Once the near-term critical factors are determined, the necessary information systems are defined and developed. Since CSF identifies critical factors, it is generally accompanied by time pressure to get something done. A technique often used in conjunction with CSF is to prototype the desired system. Prototyping uses existing information resources supplemented with the minimum additional investment necessary to demonstrate the improved management information system, usually within six to twelve months in a small-scale test. Once a successful prototype is established, it is extended incrementally into the full system.

Learning From Successes. Successful efforts to improve operating management support have been conducted on an ad hoc basis by both field and headquarters teams. These efforts usually spring from the personal zeal of one or two individuals. Yet these efforts, no matter how sound, most often have been abandoned when the orignal proponents moved on.

We attempted to isolate the reasons why these systems do not take hold. It appears that those who were enthusiastic in the design of the systems were unable to impart that enthusiasm and interest to the managers who would be users of the system. The Postal Service lacks effective methods for involving managers-users to the point where they accept the new information tools as necessary and useful, unless these tools are part of a reporting system by which the managers-users are to be judged by higher management.

We also observed a lack of common understanding among proponents of what sytems had been previously developed. Several were unaware of previous projects which were very much like their own. No vehicle is in place for sharing this information.

Recommendations:

The Technology Program Area Committee should take the lead in:

1. Testing the applicability of the Critical Success Factors methodology as a supplement to the Information Systems Plan.
2. Initiating prototype systems projects where information needs have proved difficult to define. These systems should consist of data bases organized to meet the information needs of each management level, accompanied by a few standard reports available on demand and with general purpose analytic tools to allow customized retrieval of each manager's individual information needs.

Recommendations (cont.):

3. Establishing in the Information Resource Management Department a clearinghouse function to keep managers informed of systems which are developed. National development programs should be publicized at least down to the functional managers in the Divisions through a condensed version of the existing Applications Plan. An electronic bulletin board should be implemented for the locally developed systems which catalog the pertinent information about the system in a central computer file which is accessible to everyone with a terminal.

4. Preparing an annual evaluation of locally developed systems identifying those which appear promising for broader use. Consider how to foster these systems and support the Regional Postmasters General in brodcasting local developments across the system. (See also CAR #5, Technology and #7, Operations Alternatives.)

PRIORITIES FOR SYSTEM DEVELOPMENT:

Postal managers interviewed during this review feel that existing information systems contain most of the data they need. When they speak of lacking adequate data, it is usually related to workload, service performance, or marketing.

Workload Indicators. With labor accounting for approximately eighty-five percent of postal expenses, accurate measurement and control of labor productivity is a paramount management concern. While data on the use of workhours is abundant, the measures of work accomplished with those hours fall short of what is needed.

Currently the major workload indicators are First-Handling Pieces (FHP) in mail processing, and delivery volume as recorded in the Delivery Unit Volume Recording System (DUVRS). These workload indicators are becoming less useful as the postal environment changes. Changes such as the introduction of presort, optical character readers and bar code sorters and centralized delivery have significantly increased the difference in the work required to process some types of mail compared to others. These deficiencies in workload measures naturally create similar problems in measuring productivity.

A number of actions already underway lay the groundwork for establishing improved workload measures. The Work Credit System, which will be added to the Management Operating Data System, will provide workload data for many of the operations which are not now measured. The Office of Industrial Engineering has developed a system in the Bulk Mail Centers called PIRS which includes standard workhour usage expectations for the workload represented by each major type of mail handled.

What has not been done is to combine efforts of this type into an integrated program to determine the true workload represented by the mail flowing through each postal facility.

Service. At present the primary service information is that provided by the Origin-Destination Information System (ODIS). This tracks transit time through the postal system for First-Class Mail, and, to a lesser extent, zone-rated Parcel Post. Other measures of service are not addressed by postal information systems.

CAR #7, Operations Alternatives has raised issues concerning the appropriateness of the existing service goals measured in ODIS. CAR #3, Air Transportation discusses the need for information to measure the interaction between cost and service. Service goals beyond transit time, such as availability of window services or elapsed time for bulk business mail delivery have not been established. Service is the Postal Service's business. The management information available on service is far short of the need.

Marketing. Managers most often mentioned marketing as the area where almost no significant information systems had been developed, particularly information about customers (volume, revenue, sales/service visits, plantload arrangements etc). Marketing was identified as a priority for development in the 1980 Business Systems Planning Study, and an initial subsystem was implemented (the Sales/Service Information System). Efforts are currently underway to define the requirements for a more comprehensive marketing system. The CAR #8 report, Marketing, discusses marketing information needs and recommends creation of position responsible for marketing intelligence.

Recommendations:

As part of the program to develop new information systems and increase the utility of present systems the Technology Program Area Committee should provide leadership to:

1. developing an accurate, integrated system for workload accounting and productivity measurement developed by the Operations Support and Finance and Planning Groups to be incorporated into the planning, budgeting and performance mesurement systems. An initial version should be implemented in time for FY 88 budget development.
2. the developing information systems necessary to analyze and measure attainment of service goals established through the Services and Prices Program Area Committee. Major progress should be made by early FY 1987.
3. meeting the management information needs of the Senior Assistant Postmaster General, Marketing. An initial information system covering critical elements of the marketing function should be available within six months. To this end marketing should create a position for marketing intelligence (Rf. CAR #8 report).

PROVIDING INFORMATION SUPPORT:

The bulk of Postal Service computing is done at the six Postal Data Centers. Since the original fifteen data centers were created over thirty years ago, there has been a steady consolidation into fewer, larger sites to permit use of large-scale computers and concentrate data processing resources into units large enough to handle major information systems. Even with these consolidations, today's Postal Data Centers are at the lower end of what the data processing industry considers to be a large facility.

Information Resource Management managers have discussed data center strategies with other large corporations. These corporations generally have as few centers as possible. Often they have only one or, if protection from physical destruction is a high priority, two centers. Those who have more than two set a conceptual limit for how large a data center should be, and they build their centers up to this limit.

In the Postal Service the physical separation of data into the several centers makes it difficult to assemble large stores of related data such as the Corporate Data Base. In this case, over twenty files must be assembled from the other centers and shipped to the Raleigh data center each accounting period. As the Postal Service moves to present more management analyses, the problems associated with data spread across multiple data centers will become even greater and could become a limiting constraint.

At present, most Postal Data Centers are a combination of a large computer center, a systems analysis and programming staff, and a manual forms processing and accounting group. Under the present alignment the systems and programming function has tended to be too diffused. It is often difficult to staff key projects because the talent pool in any one center may lack capacity to handle more than one large project. The manual forms processing functions has been slowly but steadily reduced by the implementation of direct data entry. It can be expected to decline even further in the future. The accounting function has remained relatively constant, in effect as an extension of the headquarters Department of the Controller.

Recommendations:

The Technology Program Area Committee should oversee a program to enhance management information support by changing the number and functions of the Postal Data Centers.

1. Continue to replace manual forms handling with direct entry of data from field locations. Manual forms handling by payroll and accounting clerks should be phased out before any Postal Data Center consolidation, most likely by moving these processes closer to the source in the Divisional and Management Sectional Centers. Accounting functions should be assigned to the Headquarters Department of the Controller.
2. Systems analysts and programmers should be consolidated to create larger pools from which to staff projects. The groups should be coresident with the Postal Data Center(s) to preserve the close cooperation between system development and data operations. To guard against losing their knowledge of existing postal systems, [illegible] programming staffs may have to be maintained in the present data center cities during an extended (two year) transition period.
3. Task ISG to initiate a study to identify the optimal number and location for Postal Data Centers. The study should consider locations against a comprehensive set of criteria such as access to other postal facilities (including Washington), telecommunications support, vendor support capabilities, wage rates and competition for technical personnel, presence of supporting institutions and quality of life for employees. Preserving the potential base of skilled personnel should also be weighed into the evaluation.

CONCENTRATED AREA REVIEW #10

MANAGEMENT INFORMATION

PROJECT STAFFING

Responsible USPS Officer	-	Kenneth J. Hunter SAPMG, Management Information/Research
CAR Team Members	-	Michael H. DeGroot Regional Director, Finance Eastern Region
		Richard Weirich Director, Office of Communications & Technology
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CONCENTRATED AREA REVIEW #11

MANAGEMENT DEVELOPMENT AND CRAFT TRAINING

AUGUST 1986

RESTRICTED

CONCENTRATED AREA REVIEW #11

TRAINING AND DEVELOPMENT

- The purpose of CAR #11, Training and Development, was to outline a program to enhance USPS capability to:
  - Provide the craft employees needed to meet the requirements of growth, automation and customer expectation. (CAR #11A)
  - Produce sufficient numbers of general managers equal to the need, particularly in light of the new concepts of organization and the CAR improvement programs (CAR #11B).
- CAR #11 did not include:
  - The Norman Technical Training Center.
  - The training of functional and professional specialists.
- In the sections that follow the report covers:

I Study Approach. (page 2)

II USPS Training and Development Needs and Opportunities. (pages 3-5)

III Current Organization for Training and Development. (pages 6-9)

IV Findings and Recommendations on Craft Training (CT). (pages 10-14)

V Findings and Recommendations on General Management Development (GMD). (pages 15-20)

VI Implementing the recommended programs. (pages 21-23)

I. STUDY APPROACH:

- In CAR #11 we:
  - Consulted with 34 Postal Service managers at all levels.
  - Reviewed present training and development programs and policies, and prior studies by the Office of Training and Development (OTD).
  - Arranged for a survey of Postal Employee Development Center (PEDC) personnel and analysis of the Postal Career Executive Service (PCES) candidate pool.
  - Studied training and development programs of other large, well-regarded organizations.
  - Researched numerous articles and professional reports.

II. NEEDS AND OPPORTUNITIES:

To USPS, effective training and development is critical, costly, and complex. (But the new plan of organization and advances in training technology present opportunities for major strides forward.)

1. Effective training and development is critical:
   - Effective training and development (T&D) is critical at any time. Up to 85% of USPS costs are payroll related.
   - Effective T&D is particularly critical at this time given the growing requirements from:
     - enhanced division authority and responsibility.
     - the need for interfunctional (i.e. corporate) thinking.
     - automation, mechanization and the need for innovation.
     - rising customer expectations and competitive pressures.
2. Effective Training & Development is costly:
   - In 1985 USPS spent over $100 million on training and development (over and above the $170 million for trainees' salaries and wages). This amounts to $125 per employee.

	($million)	
Office of Training & Development		$35
Management Academy	$14	
Technical Training Center	$17	
Employee Development and Education Division	$ 4	
PEDC Staff		$28
Office of PCES		$ 2
Travel for Training		$32
Outside Instruction		$ 6
Instructional Assistance, Training Course material		$ 2
		$105

II. NEEDS AND OPPORTUNITIES (cont.):

- Training and development expenditures (and how they are costed) vary from organization to organization; but the norm seems to be 1% of revenue, exclusive of trainees' salaries. In 1985 USPS spent .3%.
- In light of the need and this broad comparison, USPS costs could be expected to increase dramatically.
- But new training technologies* (e.g. computer based training (CBT), video classrooms, tele-training) are drastically altering the pattern of training and development and reducing costs, after high front-end investment in equipment (i.e. hardware) and training material (i.e. software).

3. Effective T&D is complex:
    - USPS training and development involves a number of tasks, clienteles and organizations.
    - There are six generic tasks:
        1. Set Policy and Objectives
        2. Analyze Program Needs
        3. Develop Program Elements (e.g. delivery system, curriculum and courses; instructional media.)
        4. Deliver Programs
        5. Select Students
        6. Evaluate Results
            A. Program
            B. Course
            C. Student

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*In shorthand we refer to these as "hi-tech." In fact most large organizations are well along the road to applying these techniques.

II. NEEDS AND OPPORTUNITIES (cont.):

- There are six key USPS clienteles:

	Current Complement	Average Annual Intake
Officers	36	1-2
PCES Executives	1100	55
PCES Candidates (EAS 23-27)	250*	350
Mid Level Managers (EAS 17-27)	25,000	2,500
Supervisors (EAS 14-16)	55,000	6,000
Craft Employees	650,000	40,000

- The section following describes the present organizations involved in craft training and general management development.

III. CURRENT ORGANIZATION:

- In USPS three levels of the organization are involved in craft training and general management development. They are organized by training task and serve a mixed clientele.
- The Office of Training and Development (OTD) with 379 employees reporting to Assistant Postmaster General - Employee Relations.

- Sets T&D policy and objectives, analyzes program needs, evaluates T&D results.
- Operates two major training centers.

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*Normally runs between 500-700. Currently at a low level following recent promotions in connection with the reorganization.

III. CURRENT ORGANIZATION:

1. The Bolger Management Academy (BMA) at Potomac with 3 branches in the field which deliver supervisory training (54% of training days), the general management development courses (18%) functional and professional specialist training (15%) and courses for mid-level managers (13%).
2. The Norman Technical Training Center (TTC) which currently provides craft training in equipment maintenance and operations.

- Designs craft, supervisory and management courses through the Employee Development and Education Division (ED&ED). In the current library of courses there are:
  - 209 field delivered training courses; 180 craft training, 29 supervisory.
  - a three phase, five week Supervisory Training System (STS).
  - 9 general management development courses
  - 43 functional and professional specialist courses.
  - 12 two week courses mandatory for mid-level managers after promotion.
- Coordinates delivery of field training and arranges "outside" training for the field (e.g. community colleges, vendors, etc.) through the Field Programs Branch.

III. CURRENT ORGANIZATION (cont.):

- The Office of the Postal Career Executive Service (PCES) with a staff of 10 reporting to the SAPMG-Employee and Labor Relations.
  - Administers the Individual Career Planning process (ICP).
  - Arranges for the training of newly appointed PCES executives through a contract with the University of Virginia (UVA).
  - Arranges for executives to enroll in advanced management programs at graduate schools.
- In the Field:
  - Training programs are delivered at 181 Postal Employee Development Centers (PEDCs) and 80 satellite centers with a total staff of 1050. The PEDCs report to local management.
  - These centers deliver introductory training, safety and other general training, craft training, supervisors training (Phase I of STS), occasional management workshops.
  - They also make the initial arrangements for training through local outside suppliers.

III. CURRENT ORGANIZATION (cont.):

- The recent reorganization is having substantial impact on the training and development organization.
  - The field Divisions have been assigned increased responsibility for employee training together with a new division position, Manager of Training.
  - The office of PCES has been assigned to the APMG-Employee Relations.
  - Employee and Labor Relations has been placed under the Associate Postmaster General.
  - The Technical Training Center will transfer 40 "lo-tech" courses out of Norman to the field organization over the next 3 years.

- The table following outlines the current training and development network - by task, clientele and organization level. The following abbreviations are used moving from left column to the right:

  O-PCES: Office of Postal Career Executive Service.
  UVA: University of Virginia.
  OTD: Office of Training and Development.
  ED&ED: Employee Development and Education Division.
  BMA: Bolger Management Academy and Branches.
  PEDC: Postal Employee Development Centers.

TABLE

CURRENT TRAINING AND DEVELOPMENT NETWORK

-

	CLIENTELES			
TASKS	1100 PCES Exec. 250 PCES Cand.	Mid-level Mgrs 25,000	Sup'vsrs 55,000	Craft 650,000
Set Policy & Objectives	O-PCES	OTD	OTD	OTD
Analyze Needs	O-PCES	OTD	OTD	OTD
Develop Program Elements	O-PCES	EDED	EDED	EDED
Deliver Programs	O-PCES (UVA)	BMA PEDC Outside	PEDC (Phase I) BMA II & III Outside	PEDC
Student Selection Policy	O-PCES	OTD	OTD	OTD
Evaluate Results	O-PCES	OTD	OTD	OTD
A Program	O-PCES	OTD	OTD	OTD
B Course	O-PCES	OTD	OTD	OTD
C Student	O-PCES	OTD	PEDC (Phase I)	PEDC

- o The two sections following outline our findings and recommendations in terms of the key training and development tasks.

  - Craft Training IV
  - General Management Development V

- o Section VI outlines a program for implementing these recommendations.

IV. FINDINGS & RECOMMENDATIONS - CRAFT TRAINING:

1. Course Development and Delivery:

A. Findings:

o "In our field interviews and in a recent OTD survey the new computer-based courses (CAKT & CAST) were given high marks.

- High front-end investment in CAKT software and hardware amounted to $5.5. million but was estimated to have been quickly recouped by a 40% reduction in training hours for a savings of $4-5 million per year in trainee salaries alone. (This is consistent with the expectations of such leaders in corporate training as Xerox, GTE, IBM, AT&T who foresee reduction in classroom instruction by 50-75%).
- Course content was felt to be much more current and relevant than the courses it replaced.
- The opportunity to pace the level of instruction and rate of learning to student needs was viewed as a major plus over the present manual courses.*

o However, three concerns were raised:

1. The length of time it has taken to develop the hi-tech course (5 years for CAKT). This is felt to be a "learning-curve" problem.
2. The need to upgrade present manual courses in the interim.
3. The need for more field input into curriculum and course development.

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*We are referring to the courses not using the new training technology as manual course.

IV. FINDINGS & RECOMMENDATIONS - CRAFT TRAINING (cont.):

1. Course Development and Delivery (cont.):

B. Recommendations:

1. Allocate the resources needed to accelerate the development of advanced technology training software and to acquire the hardware needed for delivery. As a rough estimate, $25-30 million may be required over the next 2-3 years.
2. Convene a "visiting committee" of field managers, OTD staff and training professionals to review existing courses. Eliminate marginal value courses. Schedule priority courses for advanced technology application. For the balance, establish course guidelines and basic requirements but permit the field to make local revisions and adaptations, including the development of carrier and other "craft academies" and the option to use "outside" training resources (e.g. vocational/technical schools; original equipment manufacturers and vendors, community colleges.)

2. Student Selection:

A. Findings:

- o Two major points were raised relative to student selection:
  - Student assignment to training courses is heavily determined by the pressure to fill billets rather than careful assessment of employee training needs, collectively or individually.

IV. FINDINGS & RECOMMENDATIONS - CRAFT TRAINING (cont.):

A. Findings (cont.):

- Training program cost effectiveness could be doubled if training were given before assignment to a job (such as the Pre Career Employment [PRECEP] program for MPLSM operators.)

B. Recommendations

1. Establish assignment policies and requirements (including contractually required training) in OTD. Delegate individual assignment decisions to local management.
2. Study the use of "tuition" and "scholarships" as a means of ensuring selective assignment to training.
3. Undertake a project to identify and remove barriers to the wider use of PRECEP training.

3. PEDC NETWORK:

A. Findings:

General Managers look forward to greater responsibility for course development and delivery, technical training, student assignment, etc. However, they expressed concern about the current capability of the PEDC network to handle the increased responsibility and workload.

- The position, Division Manager of Training, is new and its role vis-a-vis the PEDC still evolving.
- Based on a recent survey of 350 PEDC personnel, less than half have had any professional training or outside training experience.

IV. FINDINGS & RECOMMENDATIONS - CRAFT TRAINING (cont.):

- 20% of authorized PEDC management positions are vacant.
- Half of the PEDC facilities are considered inadequate and ill equipped.

B. Recommendations:

1. Review position description and qualification requirements for training in PEDC positions. Recruit qualified staff and build to authorized strength.
2. Develop and conduct a training program for PEDC professional personnel.
3. Develop and conduct a development program for Division Managers of Training.
4. Survey and correct PEDC hardware shortfalls (in connection with the course assessment process discussed earlier).
5. Program longer term PEDC facilities' improvement program.
6. Consider establishing on a competitive basis 4 PEDC test centers to foster new and innovative approaches to craft training.

4. SUMMARY:

o CAR #11A is recommending a fundamental, ambitious program in craft training.

IV FINDINGS & RECOMMENDATIONS CRAFT TRAINING (cont.):

4. Summary (cont.):

   1. Field management will take on substantial responsibility for student selection and "manual" course development, including the use of outside courses and craft academies. Headquarters will focus on setting training policies and program objectives and upgrading its approach to needs assessment and evaluating results.

   2. The field will take the lead in expanding and strengthening the PEDC network to handle increased workload and responsibility.
   3. Employee Development & Education Division will lead the development of advanced teaching techniques and hi-tech craft skill courses.

- This is an expensive program up front, but, once in place, one with substantial payback both from reduced hours and costs in training and from better learning results.
- Moreover, it is, in its basics, an essential program since postal service cost and performance is substantially determined by the productivity, skills and attitudes of its craft personnel.

V. FINDINGS & RECOMMENDATIONS - GENERAL MANAGEMENT DEVELOPMENT:

o Currently there are two levels of general management development:

A. - For PCES Candidates and above.*

B. - For initial level supervisors through middle management up to and including managers at the EAS 27 level.

o The first level covers 1100 PCES executives and 250 candidates (typically in EAS 23-27). This program is administered by the Office of PCES, and consists of two major program elements.

- one is the education program, almost entirely a three week program for newly-appointed PCES executives. It is a modified version of the University of Virginia's six-week executive program and is delivered at Charlottesville.
- the second element is the Individual Career Planning System (ICP). This system involves the individual PCES executive or candidate laying out his career plan for promotion and the development education programs and job assignments he request to help achieve the plan. The ICP is reviewed by the individual's superior and then submitted to and administered by the Office of PCES.

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*Not covered in this report are the university advanced management programs. These programs should be reserved for senior postal executives who have or prospectively will have significant interaction at the highest levels with other organizations and institutions.

V. FINDINGS & RECOMMENDATIONS - GENERAL MANAGEMENT DEVELOPMENT (cont.):

- The second level of the the general management development program covers some 80,000 managers from supervisor through EAS level 27 (excluding PCES candidates):
  - Newly appointed, initial level supervisors (EAS 14-16) must complete the Supervisors Training System (STS) within 9 months of appointment. STS (which was recently revised and is widely acclaimed) involves 3 training phases, totaling five weeks. Two weeks are delivered in the field PEDCs, three at BMA. Approximately 6000 newly appointed supervisors are required to take the program each year.
  - Beyond STS no general management courses are required unless, and until after, a supervisor is promoted to a mid-level manager position (EAS 17 to 19) or from mid-manager to an upper level manager position (EAS 20-27). After the promotion, the manager receives two weeks of training at BMA. On a voluntary basis nine USPS general management development courses are available upon nomination, as are locally arranged outside training.* Approximately 2500 managers are promoted each year. There is no ICP system for managers.

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*Additionally, there are functional and professional technical courses not covered in this report.

V. FINDINGS & RECOMMENDATIONS - GENERAL MANAGEMENT DEVELOPMENT (cont.):

- Both levels of general management development programs are well regarded. However, from our interviews and analyses we conclude some fundamental changes are necessary if the Postal Service is to meet its need for more self reliant, results oriented, customer conscious, broad gauged general management personnel.
- The section below outlines our recommendations towards this end.

Recommendations:

1. View general management development as a continuing, cohesive process, not just something required upon promotion. Probably two-thirds of the present managers and executives will not be promoted above their present grade. Failure to provide them with continuing education loses the major opportunity to upgrade general management skills throughout the Postal Service.
2. Reorient and reschedule "promotion" training to the period before the person is promoted to the higher position, not after. This can identify potential selection errors, help new managers to "hit the ground running" and reduce the payroll cost while in training.

V. FINDINGS & RECOMMENDATIONS - GENERAL MANAGEMENT DEVELOPMENT (cont.):

3. Ensure that career development programs mesh with Postal Service needs. The recent pace of promotions is not typical, and the recent reorganization created new needs. Nonetheless of the 365 newly appointed executives 231 were PCES candidates, 134 were not PCES candidates (and 44 of these were unsuccessful applicants in 1986) and 212* PCES successful candidates were passed over. In surveying Postal Service current needs particular attention should be paid to the critical management needs areas i.e. Division General Managers and division management staff, marketing, and management information.
4. Institute a management recruiting program. Even though the Management Intern - Management Associate program was discontinued, many of todays senior managers entered USPS by that route. Through targeted recruiting and accelerated development this could become a key source near-term for scarce management skills.
5. Review the Individual Career Planning (ICP) program to ensure that it is soundly conceived and realistically administered. Based on the recent study of the 1983-84 ICP cycle, overall only one-third of the requested development training and temporary assignments were met. Even for the so-called target group the ratio only rose to 60%.

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*Inspection Service not included.

V. FINDINGS & RECOMMENDATIONS - GENERAL MANAGEMENT DEVELOPMENT (cont.):

6. Appropriately extend the ICP process to include the pool of future PCES candidates (approximately 4,000) who today are at the upper levels.
7. Consider extending the ICP process to include all managers above the initial supervisor level (69,000). The process would have to be simplified to avoid becoming swamped in paperwork, and the focus should be on individual improvement not promotion. When an ICP calls for a development assignment outside of the division, administration of the individual's program should be transferred to headquarters.
8. In time, require the Divisions to prepare overall management development plans drawing on ICPs and an assessment of division needs.
9. Tailor the general management development delivery system to USPS characteristics, clientele needs and cost. In many ways the current system seems upside down:
   - The more junior manager needs basic management skills and process knowledge. This can be acquired in focused interaction with peers using packaged courses within a division setting. Yet 60% of the STS program is delivered at the Management Academy (and accounts for 60% of the Academy's $14 million budget and a large portion of the $32 million travel for training budget).

V. FINDINGS & RECOMMENDATIONS - GENERAL MANAGEMENT DEVELOPMENT (cont.):

- The more senior the manager the greater the need to develop broad perspectives, overcome functional myopia, think strategically, perceive interrelationships, gain insights through interaction with seniors from a variety of backgrounds while being exposed to the latest in management thinking. The UVA program tries to do this. However, no standard university program can hope to reflect the unique characteristics of USPS as a government sponsored, hybrid (i.e. monopolistic/competitive), service organization. In a proprietary development program the Postal Service can incorporate its own corporate goals and objectives. The proprietary program could also include "outside" elements. In total it should be such quality as to warrant, in time, program accreditation.

VI. IMPLEMENTING THE RECOMMENDATIONS:

Building on the significant accomplishments of the past, we recommend the following program towards effecting the changes recommended:

1. Reorganize and staff the training and development function into two units within Employee Relations. Each should be organized by clientele - craft training or general management development.

   a. Office of Management Development (OMD):

   This would include the Office of PCES, the Bolger Management Academy and its three branch offices and those functions in ED&ED involved in developing management development courses, except for converting course material to "Hi-tech" delivery. OMD would administer ICP down through "next generation" PCES candidates and upper level managers whose career development programs call for assignments outside the local division.

   b. Office of Personnel Training (OPT):

   The office would consist of the Field Program Branch and other elements of the present Office of Training and Development that provide professional leadership to and develop program materials for craft training, including the Norman Technical Training Center. However, its activities would be significantly reoriented. Responsibility for detailing manual courses would shift to the field as would the assignment of students to craft courses.

   The major new functions would be to accelerate development of "hi-tech" training material, refine the approach to setting craft T&D objectives, assessing needs, establishing standards and evaluating results from craft training. This office should also serve as the headquarters point-of-contact for Division Managers of Training and Field PEDCs.

VI. IMPLEMENTING THE RECOMMENDATIONS (cont.):

2. Include programming the implementation of these training and development recommendations as a key item on the agenda of the Human Resources Program Area Committee (Rf. CAR #7A, Corporate Management). The program is fundamental and clearly interfunctional in nature. It will benefit from the informed, responsible, on-going guidance and support of this Program Area Committee.

3. Charge the Office of Personnel Training (OPT) to complete the following portions of the recommended craft training program within the next six months (These steps are covered at greater length in the body of the report).

    a. Convene a "visiting committee" of field managers, training professionals and staff to review existing courses for hi-tech delivery. Eliminate marginal value courses. Establish course guidelines and basic requirements. Transfer remaining courses to the field.

    b. Layout a program to convert identified courses to hi-tech delivery. Acquire resources. Layout hi-tech budget requirement for initial program and longer term.

    c. With the "visiting committee" examine extension of the PRECEP approach. Develop student assignment policies and requirements. Transfer individual assignment decisions to the field.

    d. Assist the field in surveying PEDC personnel, hardware and facilities. Prepare a time phased budget to correct deficiencies.

    e. With the "visiting committee" develop a training program for PEDC personnel. Conduct at least a training first round.

VI. IMPLEMENTING THE RECOMMENDATIONS (cont.):

f. Program a review to determine if the Technical Training Center should be transferred to Engineering and Technical Support Department within Operations Support Group (This suggestion was raised during, but beyond the scope of, this CAR).

4. Charge the Office of Management Development (OMD) to complete the following portions of the recommended general management development program within six months.

a. In conjunction with the Office of Personnel Training schedule the transfer of supervisor's training (STS Phases II and III) back to field locations.

b. Create and deliver a development program for Division Managers of Training.

c. Develop a program to recruit management candidates.

d. Plan a cohesive general management "pre-promotion" development program for PCES executives, candidates and "next generation" candidates. Initiate faculty recruiting and course development.

e. Survey development program needs for functional and professional specialists and prepare recommendations on OMD's involvement (not included in this CAR).

f. Initiate a more in-depth review of the ICP process and its application to middle managers.

CONCENTRATED AREA REVIEW #11

TRAINING AND DEVELOPMENT

PROJECT STAFFING

Responsible USPS Officer - David H. Charters
Acting SAPMG
Human Resources

CAR Team Member - Robert Sheehan
MSC Manager/Postmaster
Orlando, Florida

Richard A. Portmann
Assistant Regional Chief
Postal Inspector - Audit

CAR Project Manager - Richard J. Strasser, Jr.
Director, Office of
Strategic Management

CONFLICTS-OF-INTEREST

1. **The Postal Service is very labor intensive--on the order of 85 percent. There is obviously a direct relationship between the wages of postal employees and the price of a stamp. Yet, you said you can participate in labor negotiations. Please explain your reasoning.**

   In labor negotiations, I do not have personal stake that is different from that of every other user of the mails. To the extent that labor costs increase, and are not offset by other factors, they increase pressure for increased revenues, and this may result in higher postage rates--for everyone who uses the mails. Because I will not participate in any forthcoming rate proceeding, I will have no influence on how increased rates would be divided among the users of various classes of mail, and so I could not favor any particular personal interests that I might be thought to have. With no greater personal interest than this, I think it both appropriate and important for me to participate in what is one of the Postmaster General's most significant responsibilities.

2. **Among Loew's holdings is CNA insurance, CNA Underwriters, The Mail Handlers' Health Plan. Can you participate in negotiations that impact on the plan and its underwriter, CNA? If so, please explain your reasoning.**

   I have recused myself generally from participation in any particular matter concerning health benefits for postal employees. This would not require me to avoid approving an agreement that contained an incidental provision affecting the Mail Handlers' health plan, but it would prevent me from personal involvement with negotiations on this subject with the Mail Handlers.

FERS COST ASSUMPTIONS

1. **Assume that the FERS law was not enacted. On that assumption, please estimate USPS retirement costs that will be incurred in FY87 which are in addition to those incurred in FY86.**

   If the FERS had not been enacted, it is estimated that FY 1987 retirement costs would have increased about $145 million over FY 1986 costs. This is due to the effect of employee growth and pay increases.

2. **Please explain USPS retirement costs that will be incurred in FY87 that are in addition to those costs which will be incurred in FY86 under the following assumptions:**

   a. **No pre-calendar year 84 hires elect to convert to the FERS program during FY87.**

      The forecasted FY 1987 net retirement cost increase in excess of FY 86 costs, is $428 million. This is made up of $283 million for post-1983 employees converted automatically to FERS and $145 million of increases would have occurred without FERS due to employee growth and pay raises.

   b. **Ten percent of the pre-calendar year 84 hires elect to convert to the FERS program during FY87. Please state your assumption regarding the timing of these conversions (i.e., month conversion becomes effective).**

      The forecasted FY 1987 net retirement cost increase attributable to FERS, in excess of FY 86 costs, for all post-1983 employees plus conversion to FERS by 10 percent of pre-1984 employees (assumes 10 percent of pre-1984 employees will convert on July 1, 1987) is $338 million. The total increase under this scenario would be $483 million, $338 for FERS $145 for normal growth.

   c. **Twenty percent of the pre-calendar year 84 hires elect to convert to the FERS program during FY 87. Please state your assumption regarding the timing of these conversions (i.e., month conversion becomes effective).**

      The forecasted FY 1987 net retirement cost increase attributable to FERS, in excess of FY 86 costs, for all post-1983 employees plus conversion to FERS by 20 percent of pre-1984 employees (assumes 20 percent of pre-1984 employees will convert on July 1, 1987) is $393 million. The total increase under this scenario would be $538 million, $393 for FERS and $145 for normal growth.

3. **Please estimate USPS retirement costs that will be incurred in FY 87 that are in addition to those costs which will be incurred in FY 87 under the following assumptions:**

   a. **No pre-calendar year 84 hires elect to convert to the FERS program during the entire July '87 - December '87 period.**

   The total FY 87 net estimated retirement cost increase attributable to the FERS is $393 million. Under the stated assumption, this total cost would be reduced by an estimated $110 million for a new total FY 87 net cost increase of $283 million.

   b. **Ten percent of the pre-calendar year 84 hires elect to convert to the FERS program during the July '87 - December '87 period. Please state your assumptions regarding the timing of these conversions (i.e., month conversion becomes effective).**

   Under the stated assumption, the total FY 87 net estimated retirement cost increase of $393 million would be reduced by $82 million for a new total net increased cost of $311 million. This response assumes that 5 percent of pre-1984 employees will convert to the FERS on July 1, 1987 and an additional 5 percent will convert on December 31, 1987.

   c. **Twenty percent of the pre-calendar year 84 hires elect to convert to the FERS program during the July '87 - December '87 period.**

   Under this assumption, the total estimated net FY 87 retirement cost increase of $393 million would be reduced by $55 million for a new total cost net increase of $338 million (assumes 10 percent of pre-1984 employees convert to the FERS on July 1, 1987 and 10 percent of such employees convert on December 31, 1987).

4. **Please state your assumptions regarding employee participation in the the thrift plan with respect to question 2 and 3.**

   The cost estimates reflected in answers 2 and 3 above assume that for all the FERS employees, an average employee contribution of 2.4 percent will be matched by the Postal Service.

FINANCES

1. **On Page 14 of your annual report, you indicate that foreign governments owe $269.7 million to the Postal Service up from $197.3 million in FY85. What is this for and why is it up $72 million for FY86?**

   The $72 million increase in foreign accounts receivables relates to increases in the following accounts:

Special Drawing Rights (SDRs) offset		$27,209
International Money Orders	11,600	
Parcel Post	18,356	
International Terminal Dues - Airmail		7,459
International Express Mail	3,405	
Other Receivables	4,386	
	$72,415	

   The increase in Special Drawing Rights which is an accounting entry converting U.S. dollars to international settlement dollars, resulted from its increase in value from 1.05940 to 1.21342 in relationship to the U.S. dollar. The value of International Terminal Dues - Airmail increased due to a rate change from 5.5 to 8.0 gold francs per kilogram effective January 1, 1986. All other increases resulted from a rise in mail volumes and money order transactions.

2. **I note that the FY86 current assets contained on Page 14 of your annual report and page I-Z80 of the appendix to the budget of the United States differ. Why?**

   In the Annual Report, the balance of a sinking and improvement fund ($10,000,000 in FY 1986) required by the Trust Indenture of Postal Service Bonds, Series A, is reported in Other Assets. On page I-Z80 of the Appendix to the Budget, this amount is included in cash. See Note 4 and Notes to Financial Statements, page 20 of the 1986 Annual Report for additional discussion of this sinking fund.

A detailed analysis of individual differences is as follows:

	PMG Annual Report	1988 Budget Appendix
Cash	128,863	138,863
Less: Cash in sinking fund shown as Other Assets in PMG's Annual Report	-----	(10,000)
	128,863	128,863
Investments	3,823,227	3,803,416
Government securities valued at cost in PMG's Annual Report vs. par in Budget Appendix	-----	19,811
	3,823,227	3,823,227
Receivables:		
U.S. Government Agencies	200,066	237,084
Accrued Interest	17,207	...
Adjustments for par vs. cost valuation of Government securities (see above)	--------	(19,811)
	217,273	217,273

3. **In the U.S. budget, on page I-Z81, the Postal Service estimates a $264 million loss for this fiscal year. Recently you were quoted on a radio talk show that you expected a $100 surplus in FY87--your testimony today had a more conservative projection. Why do your estimates differ from the estimate given OMB for inclusion in the President's budget?**

   The $264 million loss reflected in the U.S. Budget for FY 1987 was developed in September of 1986. A recent comprehensive review of our financial situation during FY 1987 led to the implementation of a cost containment effort aimed at reducing FY 1987 costs by approximately $350 million and by $500 million in FY 1988.

4. **The U.S. budget for FY88 also contains a line item of $1.4 billion for the estimated impact of potential new rates. How was that figure derived and what is the rate increase implicit in that figure?**

   The $1.4 billion is the OMB's figure and was inserted in the budget at the OMB's request. A specific rate increase was not addressed. The amount suggests an assumption by the OMB that the Postal Service would receive additional revenue in FY 1988 to offset the entire $1.4 billion in increased costs to USPS in FY 1988 under the Federal Employees' Retirement System for that year.

5. **On page 16 of your Annual Report, you refer to a commitment of $2.4 billion for capital investments last year, including the $1.25 billion you've already borrowed.**

   a. **Have you been mortgaging the future of the Postal Service in order to buy a little bit of time for rate stability?**

      No. Our capital investment program is an investment in the future. We have increased the size of our capital program in order to improve efficiency and customer convenience through modernization and automation. Financing a capital program of this magnitude out of operating funds would seriously jeopardize our financial position. Borrowing is one of the tools available to us under the Postal Reorganization Act to finance capital investments. This approach also allows us to pay for these assets over their useful life thus requiring future ratepayers to pay for the future benefits they will receive from today's capital investments. The recent trend toward lower interest rates also contributed to an environment we feel is conducive to borrowing for capital.

   b. **What are your long range plans on borrowing for capital investment purposes?**

      We will be continually re-examining our financing strategies to determine their appropriateness. At this time, we anticipate a continuation of borrowing to finance our capital investments for the foreseeable future.

   c. **Is there any limit on what you can borrow? If so, are you likely to be looking for legislative relief?**

      Our borrowing authority for capital is limited by statute to a net increase in debt outstanding of $1.5 billion per year and $10.0 billion in total. These limits were established 17 years ago and no longer reflect the realities of today's Postal Service.

ZIP + 4

1. **Are ZIP + 4 codes being used as much as you thought they would? What volume did you expect at this point in the program and what are you getting?**

   In FY 86 our goal was 10.3 billion pieces. Our actual volume was 10.4 billion pieces. Our goal for FY 87 is set at 15.5 billion pieces. As of AP 5, total YTD volume is 4.3 billion pieces and 71 percent over SPLY.

2. **Of the total ZIP + 4 volume, how much is business and courtesy reply mail? How much is 5-digit or carrier route presort?**

   Of the FY 87 ZIP + 4 volume goal of 15.5 billion pieces, roughly 70 percent is non-discount ZIP + 4 volume. The Postal Service currently does not have in place a system designed to capture the volume of ZIP + 4 business and courtesy reply mail. We expect to develop such a system at some future date. However, as we actively promote use of the ZIP + 4 code on this mail, we believe business and courtesy mail constitute a significant portion of current non-discount ZIP + 4 volume. Five-digit presort will approximate 4.3 billion pieces and roughly 585 million pieces are expected to be ZIP + 4 carrier route volume.

3. **On presorted mail carrying a ZIP + 4 code, the mailers get a 4-cent discount for presorting and an additional half-cent for the ZIP + 4 code. Do you really realize an additional half-cent in savings as a consequence of the longer codes being on that presorted mail?**

   Yes, ZIP + 4 mail destined for sites with automated incoming secondary operations does go through our automated mail sorting equipment. ZIP + 4 volume growth, plus continued automation deployment, is allowing us to automate our incoming secondary operations and, hence, realize the half-cent ZIP + 4 related savings.

4. **Mr. Coughlin said during the hearing that more and more presorted mail was going through the automated processing equipment. Why would presorted mail be processed on OCR and BCS? How much of what types of mail is involved? How much savings is generated per piece?**

   It is cost beneficial to process 3- and 5-digit presorted mail on automation. In absence of automation, this mail requires one (in the case of 5-digit presort) or two (for 3-digit presort) passes on an MPLSM. At an average productivity of 1500 pieces per workhour, the MPLSM processing labor cost per 1000 letters is: 0.67 workhours, or about 1.3 cents per piece.

Currently, more than 600 million letters are being processed annually on automation to the carrier route. The majority of this mail (estimated to be 80 percent) is 3- or 5-digit presort. The balance is non-presort captured from originating, Manual Mail Processing (MMP) and destinating automated and MPLSM flows.

Currently, there are no benefits to be realized from feeding carrier route presort mail to automation. However, when sector/segment sortation to the delivery unit is implemented, additional cost savings can be achieved.

AUTOMATION OF THE MAIL SORTING PROCESS

On February 3, 1987, the Postal Service issued a press release with the lead--"Postal Service moves mail processing automation programs forward." According to that release, you're going to the manufacturer of your Phase II OCRs (Optical Character Readers) for modification of their machines to multi-line readers; you're asking the manufacturers of your Phase I machines to see if they can upgrade their products to multi-line readers; and, you're going to simultaneously solicit proven manufacturers of multi-line OCRs for additional machines to replace or supplement all this other Phase I and II equipment.

1. **As I recall, your original 9-digit ZIP Code plan of the early '80's wasn't nearly this complex. You were supposed to purchase two sets of single-line OCRs, all of which were to have been in place by now. Why the change in plans?**

   Because of the savings associated with automated processing of letter mail to the carrier, and because of limited customer use of the expanded ZIP + 4 code necessary to achieve maximum efficiencies using single-line optical character reading equipment, the Postal Service began planning in 1984 for the acquisition of multi-line OCRs.

   The multi-line OCRs will have the ability to process mail either by reading and bar coding the ZIP + 4 code when it appears on the mail piece or by reading the full address and determining the applicable ZIP + 4 code even if it does not appear on the mail piece.

2. **The plan laid out in the February 3rd press release sounds pretty much like the plan that was put on hold when the Voss affair broke. Is that correct? If not, please explain.**

   Although there are similarities, the plan outlined in the February 3rd press release is significantly different from the plan that was put on hold when the Voss affair broke. The plan in effect at the time Mr. Voss was indicted was considerably more limited than the current program. In it there were two companies competing for contracts to convert our 406 Phase II single line read OCRs to multi-line read capability and to manufacture up to 300 new multi-line read OCRs. Competition may have been somewhat restricted because prospective companies interested in the effort had to undertake it at their own expense, since we elected not to provide funds for them to modify or develop their equipment to postal requirements. In addition, the option to convert our Phase I single line OCRs was not part of the plan at the time Voss' actions became public.

The current plan which provides the advantages of realizing over a half million dollars per day savings at the earliest possible time, includes conversion of Phase I machines in the competition, and opens competition for new machines to more companies. In addition, the Postal Service will provide limited funds for companies to adapt their equipment to our mail base in an effort to encourage competition.

The current plan allows us to expeditiously implement a program that has a very positive impact on operational cost. It also encourages more competition in fulfilling our system and future multi-line needs.

3. **On the conversion of Phase I machines, have both of the original manufacturers expressed an interest in participating in the upgrade/modification of equipment they manufactured? If not, how will you go about upgrading that equipment?**

   Both Pitney Bowes and Burroughs (UNISYS) have expressed interest in upgrading their Phase I equipment. A solicitation was sent on March 2 inviting their proposal to provide a machine for field testing.

4. **On the solicitation for new equipment, the release talks in terms of proven manufacturers of multi-line OCRs. How many proven manufacturers are there--who are they? You must have some idea who they are, since this approach was already tried before the Voss incident put procurement in a holding pattern!**

   Seven companies have demonstrated multi-line capability. Further, eleven companies have either produced OCRs for the Postal Service or have participated in release/loan testing. Those eleven companies have been invited to participate in the multi-line testing and a notice has been placed in the Commerce Business Daily.

5. **On the Phase II OCRs: The original contract called for 406 machines for about $200 million; there has been at least one contract modification, a change in the delivery sequence of these machines, that added $1.5 million; now, the manufacturer, ElectroCom, is being asked to modify the machines already delivered and to upgrade OCRs yet to be delivered. Just how much is this ElectroCom contract going to be worth before it's all over?**

The basic Phase II OCR contract has been modified eight times. The modification referenced was issued in May of 1986 for $925,000. These funds were authorized to change the configuration of 20 OCRs and for additional site spare part kits. Costs associated with changes in the delivery sequence of OCRs were less than $20,000.

The total ElectroCom contract will not be made definite until July 1987.

6. **ElectroCom is supplying the Phase II bar code reader/sorters, as well as the Phase II optical character reader/bar code printers. Have you purchased any automated mail sorting equipment from anyone else in the last 4 to 5 years? If so, from whom and what?**

Within the last four or five years, the Postal Service purchased and deployed Phase I automation equipment. Bell & Howell manufactured 248 bar code sorters and Burroughs (under license from NEC) and Pitney Bowes (under license from ELSAG) manufactured 127 OCRs each.

The Phase II bar code sorters and OCRs were procured based on competitive field tests and production prices. Companies which competed are as follows:

OCRs

- Toshiba/Recognition
- NEC/Burroughs
- Pitney Bowes
- AEG/ElectroCom

BCSs

- National Presort
- Hotchkiss Brandt Sogeme/Pitney Bowes
- AEG/ElectroCom
- Bell & Howell
- Leight Instruments

In addition, our recent contract awards for flat sorting machines were made to two companies.

- Engineered Systems and Development Corp. (San Jose, CA)

- Advanced Development and Engineering Center (Swarthmore, PA)

7. **It looks like this one company, which I understand is using foreign technology and which relies heavily on foreign engineers, is quickly becoming the sole source for automated equipment. I don't think this is a very**

healthy situation for the Postal Service, do you?

We recognize that much of our automated equipment is manufactured by ElectroCom Automation; however, they were awarded these contracts based on a fully competitive program where other companies participated. We do not foresee any problems with this arrangement.

When foreign technology is involved in the competition, we require that an American company be selected to Americanize and manufacture the equipment in the United States. In all of our programs, we advertise publicly in the Commerce Business Daily to solicit competition.

As part of our efforts to foster increased vendor participation, recently we awarded two separate contracts for the manufacture of 176 flat sorters.

8. **I see where the Postal Service is bullish on technology in other areas. At a Postal Service-sponsored conference last year, one of your Senior Assistant PMGs announced that each of the 74 new divisions would have a $100,000 "Innovation Opportunity Fund." The program was described as designed to circumvent bureaucratic processes. Cutting red tape is an admirable goal; however, keeping an eye on that $7.4 million would also be a good idea. What does the Postal Service hope to get out of this program and what accounting/ oversight controls do you have for it?**

The objectives of this fund are to stimulate and encourage field innovation and experimentation leading to new technology projects. The projects supported by this fund focus on technical innovation. The fund is not intended for the acquisition of existing equipment.

Responsibility for the selection of projects and use of the $100,000 is delegated to the Division General Manager. Headquarters and regional managers will monitor the results of this program and make recommendations regarding whether it should be continued.

MPLSM UPGRADE

1. **What is being done to modernize the snap-limit switches that are presently used in the MPLSM keyboards?**

   The development of optical or proximity switch replacements for these mechanical switches has been the subject of an ongoing project at the Postal Service's Engineering Design Center for several years. In late 1985 and early 1986, the Center discussed replacement designs with several switch manufacturers and suppliers.

2. **How much would the Postal Service save by replacing the snap-limit switches with solid state proximity switches?**

   The extent of the Postal Service's savings would depend on various factors including the costs of the replacement devices. About 216,000 switches are in use. Our current experience is that some 145,000 snap-limit switches are replaced each year at a unit cost of from $2.32 to $2.42 each. Because proximity switches would have a substantially longer useful life, if a replacement could be obtained at a reasonable price, the overall savings to the Postal Service could be substantial.

3. **What would it cost to replace the switches?**

   The total cost of labor and materials to replace all of the switches in all our MPLSMs would be between $2.5 and $3.0million.

4. **We understand that a company named Customprox developed a proximity system which satisfies the Postal Service's needs. Is that true and, if so, what is the status of the acquisition of that switch?**

   Customprox, after discussions with the Postal Service's technical staff, repackaged a standard proximity switch in a case which conformed to the physical constraints of the MPLSM keyboard. Pursuant to a contract with the Postal Service, Customprox has delivered a small quantity of these modified proximity switches for trial use in the MPLSM keyboard. A dispute has arisen with Customprox over its proprietary rights in those switches. No large-scale purchase of replacement switches is likely until that dispute is resolved.

5. **On June 16, 1986, Customprox notified the Postal Service that the MPLSM keyboard proximity switch was proprietary to**

Customprox. Why did the Postal Service wait until November 7, 1986, to respond to that letter?

Customprox addressed its letter of June 16, and some subsequent correspondence, not to the contracting officer responsible for the administration of its contract, but to representatives of the Postal Service's Engineering Support Center, which was responsible for evaluating the switches. The personnel of the Center believed that the facts asserted in the request were inconsistent with the facts they knew, but they did not timely take steps appropriate to resolve the issue presented.

When Customprox restated its concerns to the Engineering Support Center and others in the Postal Service (but again, not to the contracting officer on its contract), the Postal Service's Patent Counsel replied with a November 7 letter, which noted the Postal Service's disagreement with various aspects of its position, and which suggested that the appropriate channel for that resolution was through the contracting officer. Customprox presented such a claim to the contracting officer on December 12. That claim was reviewed by the Engineering Support Center and the Law Department, who furnished comments to the contracting officer. A contracting officer's final decision denying the December 12 claim was issued to Customprox's counsel on March 23. If Customprox finds that decision unsatisfactory, it may, pursuant to the Contract Disputes Act and the disputes resolution provisions of its contract, appeal the decision to the Postal Service Board of Contract Appeals or file a suit on the decision in the Claims Court.

6. **If the Postal Service denies that the MPLSM keyboard proximity switch is proprietary to Customprox, why did the Postal Service ask Customprox for permission to publish the specifications for the switch?**

Whether the Postal Service ever asked Customprox for this permission is an issue which is in dispute. Such a request, if made, came from an employee of the Engineering Support Center. It was not made with reference to the terms of Customprox's contract, nor was it made by an individual with authority to bind the Postal Service on contractual matters. Accordingly, any such request has no relationship to the Postal Service's view of Customprox's proprietary rights in the design of its switch.

7. **Did the Postal Service release information about Customprox's MPLSM keyboard proximity switch outside of the government?**

Yes. The release occurred in this way. During a meeting with a representative of another switch supplier in a postal office, one of the Customprox switches was on the postal employee's desk. While the postal employee was out of the room, the supplier's representative examined the switch and made a photocopy of its shape. When the meeting resumed and the postal representative became aware of the supplier's action, he did not object, because of his belief that the shape of the switch was not proprietary to Customprox.

8. **In that the Postal Service exposed Customprox's proprietary information and design, without authority to do so, is it not inappropriate for the Postal Service now to conduct a competitive procurement for a solid state proximity switch? Indeed, under theses circumstances, is not the Postal Service obligated to negotiate with Customprox alone for its switch?**

The premises of these questions assume numerous facts with which the Postal Service disagrees. However, assuming that Customprox has a proprietary interest in the design of its switch, its rights do not extend to requiring the Postal Service to acquire its proximity switch needs exclusively from Customprox. Given the wide range of competition which exists in the proximity switch industry, it would be inconsistent with postal contracting procedures for us to negotiate exclusively with Customprox for our future switch needs. However, as noted in response to a prior question, no further procurement is expected until the Customprox dispute is resolved.

MAIL SERVICE

1. **What are you doing to make sure that the 74 new field offices don't get into a cost-cutting competition at the expense of small post offices?**

   We recently completed training sessions with representatives of affected divisional offices which explained our policy, the law, and appropriate regulations. Additionally, the final decision is made at Headquarters, not at the divisional level.

2. **In a number of cases the Postal Service has offered small towns a CPO (Contractor operated community post office) as one way of avoiding confrontations over the closing of a small post office. While individuals can appeal the closing of a post office, they have no say in when a CPO is closed. What would you say to giving appeal rights to townspeople on CPO closings?**

   A new section was added to our regulations that requires the Senior Assistant Postmaster General, Operations Support Group, to approve the closing of CPOs as well as post offices. We believe this provides adequate safeguards against the unjustified closing of CPOs.

3. **39 U.S.C. 3661(b) provides that the Postal Service obtain an advisory opinion from the Postal Rate Commission when it determines that there should be a nationwide or substantially nationwide change in the nature of postal services.**

   a. **What criteria does the Postal Service have for deciding what constitutes a "change" and whether it is "substantially nationwide"?**

      We think this procedure is intended to cover very significant or fundamental policy changes in the service we provide.

   b. **Has an advisory opinion ever been sought on the centralized mail delivery program?**

      No, we do not think that has been required.

   c. **In FY84 there were 1.3 million new delivery points of which 900,000 were served by cluster boxes. In FY85, 1.3 of 2.1 million new addresses were served by cluster boxes. Last year it was 1 million of 1.8 million. Most people who have had door or curb delivery will tell you that walking to the corner to get mail _is_ a change in the nature of postal service. From the growing numbers this change is obviously substantial and nationwide. When will you seek the advisory opinion required by 39 U.S.C. 3661(B)?**

This is not something which started in 1984. The Postal Service has had grouped delivery boxes for a long time. For efficiency and economy reasons, it has long been our policy to encourage the growth of various forms of centralized delivery. The trend which you outline doesn't represent a new policy, it shows that our existing policies are having a growing effect as new homes and offices are added to our delivery system.

4. **Your annual report claims that service standards are almost being met--97 or 98 percent of the mail is being delivered in a timely manner. Yet, we continue to receive complaints from constituents about poor service. You've got a system (ODIS) that gives you your performance figures.**

   a. **Just what exactly do you measure?**

      Our ODIS system measures elapsed days from postmarking to the delivery unit.

      Even if we delivered 99 percent on time, that would mean 1 percent of 450 million pieces we deliver every day is a possible complaint. The level of customer satisfaction as measured by an outside polling organization (Roper) is very good.

   b. **What changes have been implemented in Express Mail Service to raise performance standards, e.g., changes in acceptance times or receipt signature procedures?**

      Several actions have been taken to improve and stabilize Express Mail service performance over the past year.

      - We have contracted network air transportation to carry Express Mail between 19 major markets as a supplement to existing commercial passenger airline transportation. This provides a backup to fluctuating commercial airline schedules and canceled night air freighters that used to provide the basis of stable service performance prior to the CAB sunset.

        A new contract will soon be awarded to replace this network air service with a new carrier providing hub and spoke connections between 21 major markets. This network is planned to grow to 25 or 30 markets within the first year of operation and enable USPS to offer morning delivery of Express Mail between all points within these major markets.

      - A morning delivery improvement test has been conducted to determine how much of the Express Mail that arrives into each delivery unit each morning can be delivered by noon. Within the 30 cities tested between Accounting Periods 7 and 13 of FY 1986 approximately eight out of ten overnight Express Mail deliveries occurred before noon of the next day. This policy is to be implemented by June 6, 1987, at all delivery units.

Our use of flexible acceptance times and the new waiver of signature service feature also contribute to a higher percentage of prompt Express Mail delivery performance.

- o By providing flexible acceptance times for Express Mail, customers are afforded a larger geographic coverage of next day service from each origin. Cities with departing air connections prior to the 5 p.m. acceptance cutoff times can sell service to those destinations by establishing earlier acceptance times for those destinations.
- o The Waiver of Signature feature has recently been added to Express Mail service to allow deliveries to be made without having to obtain the recipient's signature. This service can be designated by the sender at no extra charge.

INSPECTION SERVICE

1. **The Postal Inspection Service carried out an exercise known as the National Procurement Audit during 1985. I'm told that the audit, which resulted in a six volume report, consumed over 44,000 work-hours and cost nearly $1.5 million.**

   a. **Are these figures in the right ball park?**

   Yes

   b. **Do you know why it was necessary to have Arthur Young do a costly procurement systems study at roughly the same time the inspection service was doing it's study?**

   The Inspection Service audit was performed between October 1983 and October 1984. It focused on auditing the existing procurement and supply system, particularly the management and organizational structure. The Arthur Young study was performed the next year between March and November 1985, and was requested by the supply organization after the Inspection Service audit, in order to get specialized consulting assistance in functional implementation of needed changes in the supply operations.

   c. **At about the time the Inspection Service study was getting off the ground, Senator Sasser and Congressman English became very interested in a 50 percent cost overrun and other problems associated with procurement of the M-36 facer-canceller. These Members, GAO auditors, and mid-level postal inspectors all raised the issue with senior level inspectors involved in the National procurement audit. The audit report was, however, devoid of any mention of the M-36 matter. Do you have any idea as to how a $15 million contract with a $7 million overrun was settled out of channels and that have involved a rigged RFP could escape mention in the Inspection Service Report?**

   The $7 million was not a cost overrun, but the settlement of a claim by E-Systems against the Postal Service to recover losses incurred by defective technical data provided by the Postal Service. The claim was for more than $11 million and was reduced to $7 million in negotiations. The entire subject has been explained previously in considerable detail. The claim was not settled out of channels. Postal management was aware of the claim, the negotiations to settle the claim, and the settlement arrived at in those negotiations.

2. **There has been a great deal of discussion of the need for an Inspector General at the Postal Service.**

   a. **What are your views on this matter?**

   The Postal Inspection Service is responsible for those functions assigned to Inspectors General in some other Federal agencies. The Chief Inspector reports directly to me. The Inspection Service is a respected member of the Federal law enforcement community. They are well staffed and equipped to carry out their important mission.

   b. **If the problem--that is, to the extent there is one--is that the Chief Postal Inspector is himself a part of top management, what can we do to overcome this problem or perception of a problem--**

   Although the Chief Inspector is a senior officer of the Postal Service and is involved in the examination and debate of major issues and programs, he is not a voting member of the group. This is an important and necessary distinction in maintaining independence. In terms of exercising that independence, I think the record is clear the Chief Inspector is free to audit and/or investigate any activity of the USPS at any level. The Voss case is an undisputable example.

   - **Would co-selection with the Board be acceptable?**

     There has not been an independence problem--but to the extent there may be a perception of a problem--the Chief Inspector's independence could be strengthened by making his appointment and removal contingent on Board of Governors' approval.

   - **What about having more detailed public reports on postal audits and investigations--modeled on GAO or I.G. reports?**

     The Postal Service has a good record of cooperation with the Congress and the GAO--including Inspection Service reports. I see no problems with providing the Congress with the Annual Report on Inspection Service activities or of requiring semiannual reports similar to those required of Inspectors General.

SUBCLASS OPTION

In its report to the Congress, the Postal Rate Commission recommended that separate subclasses be set up for the preferred rate categories. OMB has endorsed this recommendation. The Commission calls for an additional ratemaking factor to be added to the statute which would recognize the benefits to society of the organizations eligible to mail at preferred rates. Thus, the Commission would take into account the good work of these organizations when it sets their rates.

1. **Do you have any objection to this approach to setting preferred rates?**

   The Postal Service continues to defer to Congress on revenue forgone policy. However, I feel that several factors should be considered in evaluating the subclass option, and would note that the subclass option was one of two options offered in the Commission's study of preferred rates.

   a. The current policy has been successful in its aim to benefit certain mailers without harming other mailers.

   b. Rates for the general public and businesses would be increased to recover the lost subsidy if the subclass option were enacted into law.

   c. The Postal Service is in an increasingly competitive environment. Rate increases, resulting from the enactment of the proposal, affect our ability to compete.

2. **Would this approach have an impact on the rate stability of preferred categories?**

   Preferred rates would probably be more stable if the proposal was enacted. Currently, preferred rates are affected by the budget deliberations of Congress and have changed frequently. Under the proposal, preferred rates would be set in the same manner as other rates.

3. **Would it have an impact on budget deficit reduction efforts?**

   There would be an impact on budget deficit reduction efforts as long as the elimination of the revenue forgone subsidy is timed to correspond with rate increases of a similar magnitude for the general public and businesses. Otherwise, the budget benefits of the elimination of the appropriation would be offset by revenue losses for the Postal Service.

4. **Would it lessen the Service's accountability to the public and Congress?**

   The Postal Service would be no less accountable to the public and Congress. However, the issue of accountability touches on one of our concerns regarding the separate subclass proposal. Currently, the Congress is extremely diligent in examining proposals to provide preferred postal rates to various groups. The benefits to the groups and society are carefully weighed by Congress against the costs to taxpayers.

   We are concerned that the costs to the general public of expanding preferred rate eligibility may not be so apparent if the separate subclass measure is enacted. Costs, which are highlighted in the form of increased appropriations, might not be so readily seen as part of the general postage burden imposed on the public.

5. **Do you agree with the Commission's recommendation that advertising of commercial products be prohibited from nonprofit third-class mail?**

   Again, we defer to Congress on matters of revenue forgone policy. However, from a purely operational perspective, we have grave concerns with the Commission's proposal.

   Briefly stated, the proposal requires that postal employees administer a complex nonprofit tax standard in determining whether advertising may or may not receive nonprofit rates. I believe the proposal causes undue complications, for both customers and postal employees, in the administration of nonprofit postal rates.

MANAGEMENT REALIGNMENT

According to the 1986 Comprehensive Statement of Postal Operations, the cost in the 3rd quarter of the FY86 for realignment of the field management structure was approximately $42 million. The Comprehensive Statement claims that management efficiencies that will be achieved will offset these expenses.

1. **How do you measure savings resulting from such a realignment?**

   The intent of the realignment was not to obtain short-term savings. The realignment decentralized resources, but did not reduce the number of employees. The purpose was not to save on payroll, but to create a more efficient organization in the field--one more capable of improving service. In the long-term, a more efficient organization should be able to handle new programs and growth more effectively.

2. **Was the primary purpose of the realignment to achieve operational cost savings?**

   The primary purpose of the realignment was not to provide immediate operational cost savings. The intent was to create a more efficient organization in the field--one more capable of improving service and controlling costs. In the long-term, a more efficient organization should result in operational cost savings.

3. **Do you have any figures on what the reorganization has cost since the end of the 3rd quarter of FY86?**

   The total costs associated with the field realignment were originally estimated at $50 million, and were all accrued (i.e., expensed) in Fiscal Year 1986. These are primarily relocation expenses incurred by employees who have been reassigned in the field. To date, the actual relocation cost is $14.6 million. We anticipate some additional expenses but considerably less than the original estimate.

4. **Please provide a detailed breakout of all field relignment-related expenditures, e.g., moving expenses, office equipment (by type), office remodeling, etc.**

   Travel and relocation costs were the most significant costs incurred as a result of the reorganization. Special accounts were established to track these costs which amounted to $20.1 million as of March 13, 1987.

While other costs may have been incurred due to renovations, moving expenses and the like, these were relatively minor and partially offset by the closing of District offices. No budgets were increased as a result of the reorganization. Consequently, any additional costs were either offset by savings or absorbed through other efficiencies.

Reorganization Expenses

FY 1986	YTD	$8,008,045
FY 1987	AP1	$472,175
	AP2	$788,525
	AP3	$3,578,683
	AP4	$840,999
	AP5	$902,231
	AP6	$3,092,366
	AP7	$2,464,787
	YTD	$12,139,766
FY 1986 + 1987	TOTAL	$20,147,811

ON/OFF BUDGET

1. **For the past several years, OMB has included the Postal Service as an "On Budget" agency. This raises the danger that OMB may look to the Service to help reduce the Federal deficit by encouraging the Service to earn a surplus or at least to minimize its deficit.**

   a. **Since the Service has been "On Budget", has OMB exerted any pressure on the Service to either increase its potential surplus or minimize its potential deficit?**

   Since the Postal Service was placed "on-budget" the OMB has attempted by varying degrees to reduce the estimated projected outlays as calculated by the Postal Service. This pressure has ranged from simple discussions at various levels of management to the development of an OMB econometric model. We have experienced much difficulty in explaining to the OMB why the Postal Service accrual-based system does not lend itself to the cash-basis outlay method used by other Government agencies.

   b. **Given the potential of OMB exerting pressure on the Service to conform its financial decisions to OMB's policies, do you believe that the Service should be an On Budget agency?**

   The potential of the OMB exerting pressure on the Postal Service to conform to its financial decisions is another good reason for keeping the Postal Service off-budget. The intent of postal reorganization was that the Postal Service manage its own operations.

   c. **Do you think that having the Service on Budget is consistent with the purposes of Postal Reorganization?**

   No, shortly after postal reorganization, the Postal Service Fund account was taken off-budget. Only the annual appropriation payment to the Postal Service was included in the budget totals, until that was changed two years ago. We think the earlier decision was the right one. Off-budget treatment of the postal operating account is more consistent with our responsibility to take charge of our own operations and pay our own way.

   d. **The Federal Government's accounting system is on a cash basis while the service is on an accrual basis. Recognizing these differences, in your opinion, does it make sense to include the Postal Service budget within the Federal budget?**

   No. The accrual based accounting system utilized by the Postal Service (pursuant to the Postal Reorganization

Act) is patterned after the method used by most private sector businesses. Postal rates developed under these accounting methods have enabled us to report close to a break-even performance in our audited financial reports during the 10-year period from FY 1977 through FY 1986. This successful performance becomes distorted, however, when an attempt is made to "force-fit" Postal Service data into the Government's cash-basis outlay method of reporting. Under the outlay method, no relationship exists between reported disbursements and revenues such as exists on our accrual based system used in the development of postal rates which determine revenues received.

e. Would it be possible for the Postal Service to implement a parallel cash accounting system for reporting to OMB, thus, allowing OMB to include the USPS in its budget on a consistent basis with all the other departments and agencies?

It would be possible to implement a parallel cash accounting system for reporting to the OMB, but it would be very impractical. The cost and administrative effort involved in such an undertaking would be virtually prohibitive and would produce dubious benefits. Additionally, dual systems using different accounting principles would create confusion in financial reporting without improving information.

f. If the Service reported to OMB on a cash accounting basis, what would have been its net income for FY84, FY85 and FY86? What would the estimated income be for FY87?

The following data reflects Postal Service financial results on an outlay basis vs. accrual accounting method for FY 1984 through FY 1987:

	Net Income of (Loss) Actual			FY 88 President's Budget
($000)	FY 1984	FY 1985	FY 1986	FY 1987
Cash Basis	-360,254	-141,543	-42,249	-1,052,080
Accrual Basis*	114,352	-251,480	304,608	-264,225

*As reflected in the Annual Report of the Postmaster General.

g. Does Postal Service borrowing to pay for capital improvement, some $1.25 billion last year alone, have an impact on the budget deficit?

Borrowing, and the repayment of debt, does not enter into the Government's outlay calculations; therefore, Postal Service borrowing to finance its capital improvement program has no impact on the Federal budget deficit.

2.a. **The Washington, D.C. Post Office, a very valuable piece of property, was transferred to the Postal Service under Postal Reorganization. That facility is no longer used for its intended purpose; and, as I understand it, the Postal Service is looking to develop that property commercially. Given our quest to reduce the Federal deficit, can you give me any reason why that facility and others like it shouldn't revert to the Federal Government for sale?**

I agree that this is a valuable piece of property, and it was one of the assets which became a part of the Postal Service's equity under postal reorganization. Our proposed redevelopment provides continued postal uses in the property, maximum return on the property, and is consistent with the statutory intent of the Postal Reorganization Act. Since the Postal Service no longer receives appropriations for general purposes, we feel that it is our obligation to utilize this asset for the economic benefit of the Postal Service and postal ratepayers as opposed to the proceeds being returned to the general fund of the United States. This holds true for other similar situations throughout the country. Without this ability to dispose of excess assets on the basis of market value return, our ability to provide new facilities needed to improve mail service and working conditions for our employees would be prejudiced, since the economic justification for our new facilities includes the financial benefits gained by proper economic disposition of the assets being replaced.

While the Washington, D.C., Post Office is a significant and visible facility, its use in this regard is no different than our management of numerous other excess postal properties which have been sold, leased, or developed in a manner which provides a satisfactory return to the postal fund.

b. **Provide a list of all facilities transferred to the Postal Service under the Reorganization Act that have been sold or leased, in part or in whole, during the last five years. Include in the list the revenue generated by each such sale or lease.**

A list of all facilities transferred to the Postal Service under the Postal Reorganization Act is contained in the Federal Register, dated Saturday, September 4, 1971, Vol. 36, Number 173, Part II, United States Postal Service, Transfer of Properties. (Copy attached.) According to the Federal Register, 2,781 facilities were transferred from the General Services Administration (GSA)to the Postal

Service.

Our records indicate that 84 of these transferred properties have been sold by the Postal Service over the last five years. Attachment A is a list of the buildings transferred back to the GSA or sold to other entities during this period, and also the sales price.

Currently, the Postal Service owns 4,687 postal facilities nationwide. Often excess space within these facilities is leased to federal tenants through the GSA, or outleased to private tenants. Attachment B lists the number and rents on federal and private tenants housed in postal-owned facilities, including the facilities transferred from the GSA in 1971, over the past five years. The number of tenants and revenues generated in leased space is also included, but remains relatively insignificant.

REAL PROPERTY DISPOSAL STATUS REPORT
FISCAL YEAR 1983 ITEMIZED SALES

CITY	ST	PROPERTY	SALES PRICE	PURCHASER
Albertsville	AL	MPO	$ 70,000	City
Atlanta	GA	Federal Annex	5,000,000	GSA
Bristol	TN	Shelby St. Sta.	157,500	City
Canton	NC	MPO	75,000	City
Chagrin Falls	OH	MPO	200,000	Private
Cleveland	OH	MPO	1,800,000	County
Cleveland	TN	MPO	417,500	Private
Cody	WY	MPO	300,111	Private
Coos Bay	OR	MPO	175,000	City
DeSoto	MO	MPO	48,000	City
Durango	CO	MPO	500,000	Private
Front Royal	VA	MPO	127,000	Private
Goshen	IN	MPO	31,555	Private
Howell	MI	MPO	135,000	City
Jacksonville	AL	MPO	65,000	Private
Mattoon	IL	MPO	56,500	Private
McMinnville	OR	MPO	180,000	County
Mill Valley	CA	MPO	550,000	City
Milton	FL	MPO	68,000	Private
Mount Pleasant	PA	MPO	51,111	Private
Mullins	SC	MPO	32,500	Private
Niles	MI	MPO	142,500	City
Pittsburgh	PA	MPO	27,000,000	GSA
Salpulpa	OK	MPO	170,000	County
Sewickley	PA	MPO	120,000	City
Sparta	TN	MPO	95,000	City
St. Charles	IL	MPO	135,000	Private
Summerville	SC	MPO	150,000	City
Syracuse	NY	MPO	400,000	City
Tullahoma	TN	MPO	75,000	City
Winchester	VA	MPO	194,500	Private
Yukon	OK	MPO	125,000	City

ATTACHMENT A

REAL PROPERTY DISPOSAL STATUS REPORT
FISCAL YEAR 1984 ITEMIZED SALES

CITY	ST	PROPERTY	SALES PRICE	PURCHASER
Belton	TX	MPO	$ 120,000	City
Carbondale	PA	MPO	48,000	Private
Cleveland	MS	MPO	127,000	City
Elmira	NY	MPO	85,000	Private
Grass Valley	CA	MPO	215,000	Private
Green Bay	WI	MPO	1,835,000	County
Jackson	MO	MPO	65,000	City
Many	LA	MPO	65,100	Private
Meadville	PA	MPO	100,000	City
Mission	TX	MPO	150,000	County
New Castle	PA	MPO	150,000	Private
Shelbyville	KY	MPO	72,800	Private
Sioux City	IA	MPO	1,300,000	GSA
Weirton	WV	Cove Station	106,076	Private
Worthington	MN	MPO	58,000	City

REAL PROPERTY DISPOSAL STATUS REPORT
FISCAL YEAR 1985 ITEMIZED SALES

CITY	ST	PROPERTY	SALES PRICE	PURCHASER
Auburn	CA	MPO	$ 281,000	Private
Auburn	NY	MPO	115,000	State
Buford	GA	MPO	52,000	County
El Centro	CA	MPO	300,000	City
Franklin	KY	MPO	41,661	County
Gallatin	TN	MPO	80,000	County
Greenville	TN	MPO	331,000	GSA
Horseheads	NY	MPO	73,600	Private
Lumberton	NC	MPO	140,000	City
Monroe	NC	MPO	250,000	County
Olyphant	PA	MPO	43,500	Private
Rawlins	WY	MPO	260,000	City
Salem	IL	MPO	120,000	City
Salina	KS	MPO	250,000	City
Sidney	MT	MPO	100,000	City
Snohomisha	WA	MPO	260,000	City
Tell City	IN	MPO	40,015	Private
Walterboro	SC	MPO	105,000	Private
Westerville	OH	MPO	105,000	City

REAL PROPERTY DISPOSAL STATUS REPORT
FISCAL YEAR 1986 ITEMIZED SALES

CITY	ST	PROPERTY	SALES PRICE	PURCHASER
Atlanta	TX	MPO	$ 85,000	City
Booneville	MS	MPO	73,000	County
Calexico	CA	MPO	195,000	Private
Clanton	AL	MPO	120,000	County
Danville	IL	MPO	317,500	GSA
Doylestown	PA	MPO	195,000	Private
Fenton	MI	MPO	105,000	City
Kearney	NE	MPO	120,000	State
Lansdale	PA	MPO	201,000	Borough
Nebraska City	NE	MPO	50,000	Private
Portland	OR	St. Johns Sta	145,000	Private
Rochester	MI	MPO	380,000	City
Salem	MO	MPO	60,000	City
Valparaiso	IN	MPO	200,000	City
Van Wert	OH	MPO	70,000	City

REAL PROPERTY DISPOSAL STATUS REPORT
FISCAL YEAR 1987 ITEMIZED SALES

CITY	ST	PROPERTY	SALES PRICE	PURCHASER
Hampton	VA	MPO	$ 200,000	City
Jackson	TN	MPO	950,000	GSA
Pocahontas	AR	MPO	72,000	Private

OUTLEASE STATUS REPORT

Fiscal Year	Number of Tenants Private	Number of Tenants Federal Thru GSA	Number of Dollars ($000) Private	Number of Dollars ($000) Federal Thru GSA
1983	909	1,566	5,318	25,177
1984	1,069	1,488	6,396	25,119
1985	1,151	1,405	6,376	24,849
1986	1,117	1,338	5,164	24,489
1987*	1,199	1,303	5,190	29,085

*Estimated.

ATTACHMENT B

federal register

SATURDAY, SEPTEMBER 4, 1971
WASHINGTON, D.C.
Volume 36 ■ Number 173

THE NATIONAL ARCHIVES OF THE UNITED STATES • 1934 •

PART II

UNITED STATES POSTAL SERVICE

■

Transfer of Properties

Pt. II—1

POSTAL SERVICE

TRANSFER OF PROPERTIES

The following self-explanatory transfer instrument is being published in the FEDERAL REGISTER as a convenient reference for attorneys and other members of the public who may be interested in or concerned with the various properties transferred to the U.S. Postal Service under the authority of the Postal Reorganization Act.

The effective date of transfer was June 30, 1971. Transfer of these properties was approved by the Administrator of General Services, and the Director of the Office of Management and Budget, pursuant to 39 U.S.C. 2002(c).

In an opinion dated March 25, 1971, the Attorney General expressed the view that "real property may be transferred to the new Postal Service by the use of interagency agreements approved by the Director of the Office of Management and Budget." The Attorney General went on to say that "such transfers will vest the Postal Service with full power of disposition and control of the transferred property, including the right to sell, lease, or mortgage it."

DAVID A. NELSON,
Senior Assistant Postmaster
General and General Counsel.

TRANSFER OF PROPERTIES TO THE UNITED STATES POSTAL SERVICE

Pursuant to the provisions of section 2002(c) of title 39, United States Code, as revised and reenacted by section 2 of the Postal Reorganization Act, Public Law 91–375, August 12, 1970, 84 Stat. 719, there are hereby transferred to the U.S. Postal Service the following Federal properties:

(1) The Mail Equipment Shops located in Washington, District of Columbia.

(2) All machinery, equipment, and appurtenances of the former Post Office Department.

(3) All real property whose ownership was acquired by the Postmaster General under former section 2103 of title 39, United States Code, as in effect immediately prior to the effective date of section 2002 of title 39, United States Code, as revised and reenacted by section 2 of the Postal Reorganizati[illegible] Public Law 91–375, August 12, 1970, [illegible]t. 719, or which immediately prior to such effective date, is under the administration of the former Post Office Department for the purpose of constructing a postal building from funds appropriated or transferred to the former Post Office Department, together with all funds appropriated or allocated therefor. The properties individually identified in Appendix A, attached hereto and made a part hereof, are determined to be comprehended under this paragraph (3).

(4) All real property 55 percent or more of which is occupied by or under control of the former Post Office Department immediately prior to the effective date of section 2002 of title 39, United States Code, as revised and reenacted by section 2 of the Postal Reorganization Act, Public Law 91–375, August 12, 1970, 84 Stat. 719. The properties individually identified in Appendix B, attached hereto and made a part hereof, are determined to be comprehended under this paragraph (4).

(5) All contracts, records, and documents relating to the operation of the departmental service and the postal field service of the former Post Office Department.

(6) All other property and assets of the former Post Office Department. The entire interest, legal and equitable, of the former Post Office Department in the real properties individually identified in Appendix C, attached hereto and made a part hereof, which properties were being acquired by the former Post Office Department by lease-purchase under former section 2104 of title 39, United States Code, are determined to be comprehended under this paragraph (6).

APPENDIX A

POSTAL FACILITY SITES TO BE TRANSFERRED TO THE US POSTAL SERVICE

Alabama	Location	Area (Sq. Ft.)	Acq. Auth.
Mobile	West side of Weinacher Avenue 132 feet north of Canal Street	2.2 acres	2103
Arizona			
Tucson	From the east side Cherrybelle Stravenue running through to Campbell Avenue between Martin Avenue and 23rd Street	749,232	PPB
California			
Chula Vista	West side of 3rd Avenue, approximately 455' south of "J" Street	205,476	2103
Fremont	Northwest corner of Dusterberry Way and Hansen Street	251,030	2103
Glendale - Carrier Sta.	Northwest corner of Broadway and Verdugo Road	55,000	2103
Inglewood	Southwest corner of Beach Avenue & Inglewood Avenue	334,976	PPB
Laguna Beach - Laguna Hills Branch	Northeast corner Paseo de Valencia and Calle de la Magdalena	81,390	2103
Milpitas	East side of Abel Street 255 feet south of Corning Avenue	99,577	2103
Redondo Beach	Between North Francisco and North Pacific on North Gertruda	176,420	2103
Torrance	East side 238th between Los Codona and Hawthorne	83,711	2103
Upland	Northeast corner of 10th Street and 3rd Avenue	144,525	2103
Van Nuys	South side of Haskell Avenue between Sherman Way and Wyandotte Street (Part of larger tract being transferred from General Services Administration)	78,232	PPB
Oakland - MO Parking	Block bounded by Pine, 9th, Wood and Atlantic Streets. (Par. 14, 15, 16A, B, C, D)	41,140	2103
Palo Alto	Corner of Loma Verde and West Frontage Road	282,419	2103
Riverside	East side Chicago Avenue. 670' south of University Boulevard	349,381	PPB
San Diego - Navajo Sta.	North side of San Carlos Drive 85' east of Bisby Lake Avenue	57,039	2103
Ontario	North side of Holt Boulevard about 700' east of Imperial Avenue	337,816	2103

Colorado	Location	Area (Sq. Ft.)	Acq. Auth.
Denver Northglen Br.	Northwest corner 120th Street and Washington Boulevard	40,000	2103
Longmont	North side Second Avenue from Terry Street to Coppman Street	54,050	2103
Colorado Springs	Bounded by Fountain Boulevard, Academy Boulevard, Verde Drive, Fred E. Sproul Homes and Camino Real	18.0119 acres	PPB
Connecticut			
Bridgeport - VMF	137-149-165 Housatonic Avenue	66,614	2103
Rocky Hill	North side of Pratt Street at point which marks the southwesterly corner of land now or formerly of H. R. Young	27,000	2103
Florida			
Altamonte Springs	East side of SR 427, 500' north of SR 436	43,200	2103
Jacksonville	Area bounded by Kings Road, Jacksonville Expressway (I-95), Logan Street and Cleveland Street	845,064	PPB
Lake City	West side of 1st St. between DeSoto and Hamilton Streets	75,131	2103
Pensacola	Area bounded by Jordan, J, L and Bobe Streets	472,626	PPB
Pinellas Park	South side 78th Avenue, 280' west of 52nd Street	87,825	2103
Oneco	North side of Oneco Rd. east of US 301	0.86 acres	2103
Punta Gorda	East Marion Avenue (US 41) (Northerly side of Block 4 of City of Punta Gorda)	90,698.40	2103
Ft. Lauderdale	1900 West Oakland Park Boulevard	25.268 acres	PPB
Ft. Lauderdale	South side of N. W. 5th Street bounded by proposed 76th Avenue and N. W. 4th Street	2.587 acres	2103
Tallahassee	Southwest corner Orange Avenue and Adams Street	457,380	PPB
Georgia			
Albany	West side of South Slappey Boulevard, 1440' south of Colquitt Avenue	389,862	PPB
Atlanta	352 University Avenue, SW	1,372,160	PPB
Calhoun	Northwest corner Court and King Streets	11,045	2103
Covington	South side of Stalling Street between North Lee Street and North Brown Street	87,235	2103

Georgia (cont'd)	Location	Area (Sq. Ft.)	Acq. Auth.
Kennesaw	Northeast corner of Lewis and Dallas Streets, 200' west of Old Dixie Highway	40,000	2103
Norman Park	North side of Broad Street, 130' east of College Street	11,000	2103
Thomson	Southwest Corner Jackson Street and National Avenue	37,400	2103
HAWAII			
Honolulu Kapolama Br.	Southwest side of the 1200 block of North King Street	51,456	2103
ILLINOIS			
Addison	Northwest corner Church Street and Lincoln Avenue	76,696	2103
Bensenville	North side of Green Street at point of intersection of Grace St. (Grace St. dead-ends at Green)	62,814	2103
Bloomington	Southeast corner of Empire St. and Fairway Drive	480,467	PPB
Carbondale	Northeast corner of Old West Main St. and Glenview Drive	191,900	PPB
Chicago So. Suburban Facility	7400-7600 S. Cicero Avenue	1,219,680	PPB
Des Plaines	Northwest corner of Oakton Street and Executive Drive	231,216	2103
East St. Louis	Block bounded by Missouri Ave. on the north, 10th St. on the east, Broadway Ave. on the south and 9th St. on the west	241,481	PPB
Norris City	Northwest corner of Main and Conger Streets	9,319	2103
Quincy	Northwest corner of 36th & Katherine Sts.	245,000	2103
Rockford	Indistrual Park area, bounded by Harrison Avenue, East Rock Drive, 26th Avenue and Lot 4 East Rock Industrial Park (Phase I).	723,096	PPB
Bement	North side of Bodman between Champaign and Platt	10,000	2103
Indiana			
Bedford	Southwest corner of 17th and H Streets	45,588	2103
Gary	Northeast corner of Martin Luther King Drive and East 15th Avenue	882,090	PPB
Richmond	Bounded by North A, North 5th and North B Streets and first alley east of Third Street	125,164	2103
South Bend - Station A	4001-4015 South Main Street	80,600	2103

Indiana (cont'd)	Location	Area (Sq. Ft.)	Acq. Auth.
South Bend - Edison Park	North side of East Edison Road at Pyle Avenue	8.0 acres	2103
Valparaiso	707 East Evans Avenue	98,000	2103
Iowa			
Centerville	Block bounded by 9th, 10th, West Van Buren and West State Streets	40,000	2103
Creston	Block bounded by Clark, Elm, Lucas and Oak Streets, excepting Lot 82 of original town plat	86,400	2103
Oakland	East side of Chatauqua Avenue, South of Brown Street	22,000	2103
Odebolt	East side of Main Street between 3rd and 4th Streets	12,500	2103
Spencer	South side East 8th Street between Grand and Second Avenues	65,750	2103
Story City	North side of Broad Street between Penn and Elm Streets	11,250	2103
Webster City	Between First Street and Division Street at Seneca Street (801-9 Seneca Street, 520 1st Street; 515 Division).	42,760	2103
Kentucky			
Paducah	Block bounded by 3rd, 4th, Washington and Clark Streets	102,062	2103
Lexington	Southwest corner Nandino Blvd. and East Trottwood Drive, north and adjacent to New Circle Road	827,640	PPB
Louisiana			
Kenner	Northeast corner of I-10 Service Road and Duncan Street	72,631	2103
Metairie	Northeast corner of 17th and North Hullen Streets	214,000	2103
Monroe	South side of Armand between 32nd and 34th Streets	52,800	2103
Shreveport	North side of Texas Street at Mansfield Road	842,625	PPB
Maryland			
Annapolis - Eastport Sta.	Southeast corner of Chesapeake Avenue and Americana Drive	40,000	2103
Massachusetts			
Westfield	Southwest corner of South Broad and West Silver Streets	178,300	2103

MICHIGAN	Location	Area (Sq. Ft.)	Acq. Auth.
Detroit - Joyfield Sta.	North side of Joy Road between C & ORR and Abington Street	71,800	2103
Escanaba	Southeast corner 1st Ave. North and 26th Street	61,600	2103
Frankenmuth	Southeast corner Nickless and Main Sts.	35,778	2103
Harrison	Northeast corner 1st and Oak Streets	17,424	2103
Jackson	West side Executive Drive from High Street to Enterprise Avenue	375,000	2103
Port Austin	Northeast corner North & Railroad Avenues	9,700	2103
Southfield	Northwest corner of Eleven Mile and Lahser Roads	211,791	2103
Westland	East side Wayne Rd., 353 Ft. south of Hunter Road	166,395	2103
West Branch	Northeast corner 3rd Street and Wright Avenue	17,424	2103
Algonac	North side of Michigan Avenue between Liberty Street and M-29	19,200	2103
Reese	East side of Gates at Camp Street	14,520	2103
MINNESOTA			
Alexandria	Northwest corner of 6th Avenue and Fillmore Street	37,920	2103
New Brighton	East side of Old State Highway No. 8 768.53 ft. North of center of intersection of O S H No. 8 and Highway 100	52,500	2103
Windom	Southeast corner of 5th Avenue and 9th Street	59,508	2103
MISSOURI			
Ballwin	Northeast corner of Mimosa Lane and Manchester Road	173,453	2103
Harrisonville	300-02-04 Washington St. (the balance of Block 227)	34,749	2103
Hazlewood	Dorset Road and Weldon Parkway	1.7810 acres	2103
Independence - Harry S. Truman Station	North side 32nd Street 620 ft. east of Noland Road	64,060	2103
St. James	East side Bourbeuse Street, between Eldon and Springfield Streets	37,375	2103
St. Louis - Major Facility	South side of Clark Avenue and vacated Poplar Street between 16th and 18th Streets	135,871	PPB
St. Louis - Gardner Station	Northeast corner Chippewa Street and Ivanhoe Avenue	40,000	2103

MONTANA	Location	Area (Sq. Ft.)	Acq. Auth.
Missoula	Two blocks bounded by Kent and Kensington Avenues and Oxford and Regent Streets	217,039	2103
NEVADA			
Reno	South side Vassar St. 290' west of Matley Lane at its intersection with freeway right of way line	531,432	PFB
NEW JERSEY			
Clifton	S.W. side Paulison Ave. between DeMott and Madison Aves.	151,893	2103
Jersey City - N.Y. Bulk Mail Facility	Between Secaucus Road & County Road, bounded on east by Susquehanna and Western Railroad Row and on the west by Public Service Gas and Electric Co. Row	6,294,420	PFB
Trenton - Station E	1137 -1139 Hamilton Avenue	7,500	2103
NEW MEXICO			
Albuquerque	Southeast corner of Broadway and Mountain Road	688,976	PFB
NEW YORK			
Brooklyn - Ft. Hamilton Sta.	Southeast corner 88th Street and 5th Ave.	33,383	2103
Horseheads	801 - 803 South Main Street	40,000	2103
Jamaica - Howard Beach Sta.	South side of 159 Ave., 40' from the southeast corner of 159 Ave., and 102 St. consisting of a 45'x90' site	4,050	2103
New York City - Morgan Annex	Two blocks between 9th and 10th Avenues and 29th and 30th Streets	361,172	PFB
Murray Hill Sta.	Block bounded by 32nd Street, 3rd Avenue, 31st Street and Lexington Avenue	68,704	PFB
Syracuse	Teall Ave. between Interstate 690 and railroad, bounded on rear by Post Street	1,001,000	PFB
Chatham	South side of Railroad Avenue at Thomas Street	.880 acres	2103
Fayetteville	West Elm between Pratts Lane and Brookline Drive	18,575.85	2103
Kinderhook	East side of Hudson near Route 9	.337 acres	2103
Syracuse	(a) All of Block 204 bounded by East Water, East Washington, South Crouse and University Avenue (b) 602-618 East Washington 101-109 Forman Avenue (c) 602 East Washington (d) 604 East Water (e) 601 East Fayette (f) 610-622 East Water 601 East Washington	234,000.00	PFB

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SOUTH CAROLINA	Location	Area (Sq. Ft.)	Acq. Auth.
Beaufort	Block bounded by King, West, Charles and North Streets	83,530	2103
Marion	Southeast corner of South Main and East Bond	84,830	2103
SOUTH DAKOTA			
Rapid City	South side East Main Street between East Boulevard and Maple Avenue	230,868	PPB
Watertown	Northeast corner of Kemp Avenue and 4th Street, N.E.	93,342	2103
TENNESSEE			
Memphis	North side of East Calhoun Street between South Second and South Third Streets	818,492	PPB
Nashville - Donelson Br.	East side Donelson Pike between Colonial and McCampbell Streets	45,000	2103
TEXAS			
Amarillo	Area bounded by Ross-Osage and Osage Streets, and 20th Ave. in Air Park Addition	980,100	PPB
Charlotte	Southwest corner Lee Plaza and Yule Ave.	9,000	2103
Dallas - Bulk Mail Facility	North side of Dallas-Fort Worth Turnpike between Hardwick Street and Eastus Drive	1,648,115	PPB
Freeport - Downtown Sta.	North side of West 2nd Street between Oak Street and Ash Street	12,000	2103
Houston - Jacinto City Br.	North side of Market Street between Mercury and Switzer Streets	48,000	2103
Park Place Sta.	Northwest corner Winkler Drive and Berry Brook Drive	101,200	2103
Westheimer Sta.	East side of Rogers Road near intersection of Westheimer Road and Rogers Road	89,963	2103
Huntsville	Southeast corner of 10th Street and Ave. N	63,220	2103
Midland - Graves Sta.	North side of West Wadley Avenue between Midkiff Rd. and Maxwell Drive	40,000	2103
Richardson	South side Belle Grove Drive with access to Central Expressway	190,341	2103
Wheeler	Northeast corner of Canadian and Sixth Streets	17,187	2103
El Paso	West side of Lisbon and South of Palisade Drive	41,300	2103
Houston - John Allen Sta.	Bounded by Ross, Parker, Lillian and Fowler (less 100 x 100 on Northeast corner)	53,750	2103

UTAH	Location	Area (Sq. Ft.)	Acq. Auth.
Grantsville	22 West Main Street	33,231	2103
Green River	Northeast corner Third Avenue and Howard Street	10,000	2103
Hyrum	North side Main Street between Center and First Streets, East	10,000	2103
Salt Lake City - Major Facility	Northwest corner Redwood Road and 21st Street, South, bounded on west by Empire Street	710,028	PPB
Foothill Station	Southeast corner Arapeen Drive and Sunnyside Ave.	80,850	2103
Wendover	South side US 50 between D Street and Wendover Way	13,633	2103
VIRGINIA			
Fairfax County - Northern Virginia Fac.	Southeast corner of Lee Highway and Prosperity Road	1,206,612	PPB
Alexandria - Lincolnia Br.	North side of Lincolnia Road at North Breckenridge Place	1.9330 acres	2103
Charlottesville	East side of Route 29 near proposed Meadow Creek Road	413,461	PPB
WASHINGTON			
Marysville	1002-1010 State Street through to Columbia Street	46,429	2103
Seattle - Wallingford Sta.	West side of North Interlake Avenue between 46th and 47th Streets	21,140	2103
Tacoma	Area bounded by Pine, Fife, South 39th and South 42nd Streets.	413,820	PPB
WISCONSIN			
Appleton	East side of Franklin Street between Packard and Division Streets	203,649	2103
Madison	Northwest corner East Beltline Highway (Hwy 51) and Milwaukee Street	662,112	PPB
Illinois			
Carbondale	Southeast side of New Route 13 approximately 1200 feet east of J. C. Penney Shopping Center	9.03 acres	PPB
Mount Prospect	Northeast corner of the intersection of Elmhurst Road and Central Road	136,077	2103

APPENDIX B

FEDERAL BUILDINGS TO BE TRANSFERRED TO THE U. S. POSTAL SERVICE

SUMMARY BY STATE

Alabama	44	Louisiana	45	Oklahoma	56
Alaska	4	Maine	38	Oregon	23
Arizona	9	Maryland	39	Pennsylvania	192
Arkansas	43	Massachusetts	100	Puerto Rico	3
California	123	Michigan	86	Rhode Island	14
Colorado	36	Minnesota	53	South Carolina	31
Connecticut	46	Mississippi	52	South Dakota	25
Delaware	10	Missouri	68	Tennessee	64
District of Columbia	3	Montana	13	Texas	138
Florida	39	Nebraska	39	Utah	17
Georgia	70	Nevada	8	Vermont	10
Hawaii	3	New Hampshire	24	Virginia	64
Idaho	15	New Jersey	87	Virgin Islands	1
Illinois	168	New Mexico	8	Washington	40
Indiana	95	New York	200	West Virginia	42
Iowa	73	North Carolina	67	Wisconsin	71
Kansas	59	North Dakota	13	Wyoming	19
Kentucky	57	Ohio	143		2,786

ALABAMA

Ownr. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	02538	Albertville	PO	107 West Main Street	MO
POD	0002	02539	Alexander City	PO	Corner So. Main & Church Street	MO
POD	0005	02542	Athens	PO	210 West Washington Street	MO
POD	0006	02543	Atmore	PO	114 North Main Street	MO
POD	0007	02544	Attalla	PO	401 North Fourth Street	MO
POD	0008	02237	Auburn	PO	144 Tichenor Avenue	MO
POD	0009	02238	Bay Minette	PO	25 Hand Avenue	MO
POD	0014	02244	Carrollton	PO-FB	Northwest Side of Court Square	MO
POD	0015	02504	Clanton	PO	601 First Avenue	MO
GSA	0073	00073	Decatur	PO-FB	400 Well Street, N. E.	MO
POD	0018	02507	Demopolis	PO	100 West Capitol Street	MO
POD	0021	02511	Eufaula	PO	Broad and Orange Streets	MO
POD	0022	02512	Eutaw	PO	256 Prairie Avenue	MO
POD	0023	02513	Evergreen	PO	200 Rural Street	MO
POD	0024	02514	Fairfield	PO	420 45th Street	MO
POD	0025	02204	Fayette	PO	403 North Temple Avenue	MO
POD	0026	02205	Florence	PO-CT	200 North Seminary Street	MO
POD	0027	02207	Fort Payne	PO	108 Gault Avenue, South	MO
POD	0029	02209	Greensboro	PO	1501 Main Street	MO
POD	0030	02210	Greenville	PO	101 East Commerce Street	MO
POD	0031	02211	Guntersville	PO	510 Broad Street	MO
POD	0033	02213	Hartselle	PO	113 North Sparkman Street	MO
POD	0034	02214	Huntsville	PO-CT	101 Holmes Avenue, N.E.	MO
POD	0035	02215	Jacksonville	PO	North Pelham Road at College St.	MO
POD	0036	00064	Livingston	PO-FB	Washington, Madison & Marshall Sts.	MO
POD	0037	02219	Luverne	PO	101 East Third Street	MO
POD	0038	02220	Marion	PO	306 Pickens Street	MO
POD	0041	02546	Monroeville	PO-FB	104 North Alabama Avenue	MO

ALABAMA (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0042	02247	Montevallo	PO	17 Vine Street, North	MO
POD	0045	02516	Oneonta	PO-FB	203 Second Avenue, East	MO
POD	0047	02518	Opp	PO	201 North Main Street	MO
POD	0048	02519	Ozark	PO	111 West Reynolds Street	MO
POD	0050	02521	Piedmont	PO	Ladiga Street	MO
POD	0051	02522	Prattville	PO-FB	102 West Second Street	MO
POD	0052	02523	Roanoke	PO	107 East Main Street	MO
POD	0053	02524	Russellville	PO	201 North Jackson Avenue	MO
POD	0054	02525	Scottsboro	PO	101 South Market Street	MO
POD	0056	02527	Sheffield	PO	210 North Columbia Avenue	MO
POD	New Building		Talladega	PO	East Street, North, at East Coosa St.	MO
POD	0059	02530	Troy	PO	300 East Walnut Street	MO
POD	0061	02532	Tuscumbia	PO	116 East Sixth Street	MO
POD	0062	02533	Tuskegee	PO	201 South Main Street	MO
POD	0063	02534	Union Springs	PO	106 East Hardaway Avenue	MO
POD	0064	02245	Wetumpka	PO	206 Block E Main Street	MO

ALASKA

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0002	00002	Cordova	PO-CH-Jail	Federal and 2nd	MO
POD	0005	00005	Ketchikan	PO-CH-Jail	648 Mission St.	MO
POD	0008	00008	Sitka	PO-FB	Lincoln St.	MO
POD	0009	00009	Wrangell	PO-CU	Federal Ave.	MO

ARIZONA

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0002	01258	Douglas	PO	601 Tenth Street	MO
POD	0004	01260	Globe	PO-CT	Hill and Sycamore Streets	MO
POD	0005	01261	Kingman	PO	Fourth and Oak	MO
POD	0008	01263	Nogales	PO	Morley Ave. and Hudgin Street	MO
POD	0011	01264	Prescott	PO-CT	101 West Goodwin Street	MO
POD	0012	01265	Safford	PO	504 Fifth Avenue	MO
POD	0014	01266	Springerville	PO-FB	Main and Supai Streets	MO
POD	0016	01267	Winslow	PO	223 Williamson Avenue	MO
POD	0017	01268	Yuma	PO	370 Main Street	MO

ARKANSAS

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0002	03474	Batesville	PO-CT	368 East Main Street	MO
POD	0004	03746	Bentonville	PO	201 Second Street, N.E.	MO
POD	0005	03477	Berryville	PO	101 East Madison	MO
POD	0007	03479	Brinkley	PO	201 North Main Street	MO
GSA	0068	00068	Camden	PO-FB	351 Washington, S.W.	MO
POD	0009	03481	Clarendon	PO	292 Madison Street	MO
POD	0010	03482	Clarksville	PO	200 Sevier Street	MO
GSA	0071	03483	Conway	PO-FB	Front and Main Streets	MO
POD	0013	03485	Dardanelle	PO	108 North Front	MO
POD	0014	03486	Dequeen	PO	106 North Fourth Street	MO

ARKANSAS (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0015	03487	De Witt	PO	221 West Cross Street	MO
POD	0016	03488	El Dorado	PO-CT	104 South Jackson Avenue	MO
POD	0017	03489	Eureka Springs	PO	101 Spring Street	MO
POD	0019	03491	Fordyce	PO	North Main & West Third Streets	MO
POD	0020	03492	Forrest City	PO	206 North Washington Street	MO
POD	0022	03493	Hamburg	PO	205 East Adams Street	MO
POD	0024	03496	Heber Springs	PO	102 East Main Street	MO
POD	0073	00073	Hope	PO-FB	Second & Laurel Streets	MO
POD	0029	03500	Lake Village	PO	102 South Cokley Street	MO
POD	0075	00075	McCrory	PO-FB	Second & Edmonds Streets	MO
POD	0036	03501	McGehee	PO	201 North Second Street	MO
POD	0077	03502	Magnolia	PO-FB	North Pine & East Union	MO
POD	0035	03504	Marianna	PO	58 West Main Street	MO
POD	0037	03503	Mena	PO	522 Mena Street	MO
POD	0038	03506	Monticello	PO	229 West Gaines Street	MO
POD	0039	03507	Morrilton	PO	115 North Division Street	MO
POD	0076	00076	Mountain Home	PO-FB	Church & Eighth Streets	MO
POD	0040	03508	Nashville	PO	218 North Main Street	MO
POD	0041	03509	Newport	PO	200 Hazel Street	MO
POD	0042	03510	North Little Rock	PO	420 Main Street	Main Street Sta.
POD	0044	03512	Paragould	PO-FB	201 West Court Street	MO
POD	0045	03513	Paris	PO	206 North Elm Street	MO
POD	0046	03514	Piggott	PO	119 North Third Street	MO
POD	0048	03516	Pocahontas	PO	109 Van Bibber Street	MO
POD	0049	03517	Prescott	PO	201 East Elm Street	MO
POD	0053	03520	Searcy	PO	301 West Arch Street	MO
POD	0054	03521	Siloam Springs	PO	101 South Broadway	MO
GSA	0070		Star City	PO-FB	Wiley Ave. & Jefferson St.	MO
POD	0056	03523	Stuttgart	PO	302 South Maple Street	MO
POD	0058	03524	Van Buren	PO	22 South Seventh Street	MO
POD	0059	03525	Walnut Ridge	PO	225 West Main Street	MO
POD	0060	03526	Warren	PO	236 South Main Street	MO
POD	0061	03527	Wynne	PO	402 East Merriman Avenue	MO

CALIFORNIA

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	01270	Alameda	PO	2417 Central Avenue	MO
POD	0002	01271	Alhambra	PO	10 West Bay Street	MO
POD	0003	01272	Anaheim	PO	112 West Broadway	Federal Sta.
POD	0004	01273	Auburn	PO	905 Lincoln Way	MO
POD	0005	01274	Bakersfield	PO	1730 Eighteenth Street	MO
POD	0006	01275	Bell	PO	6327 Otis Avenue	MO
POD	0007	01276	Berkeley	PO	2000 Allston Way	MO
POD	0008	01277	Beverly Hills	PO	469 North Crescent Drive	MO
POD	0180	00180	Blythe	PO-FB	First & Murphy St.	MO
POD	0009	01278	Brawley	PO	401 Main Street	MO
POD	0010	01599	Burbank	PO	135 East Olive Street	Downtown Sta.
POD	0011	01280	Burlingame	PO	220 Park Road	MO
POD	0012	01281	Calexico	PO	227 Rockwood Avenue	MO
POD	0013	01282	Canoga Park	PO	21801 Sherman Way	MO
POD	0014	01283	Chico	PO	141 West Fifth Street	Midtown Sta.
POD	0015	01284	Claremont	PO	140 Harvard Avenue	MO
POD	0017	01286	Colusa	PO	257 Market Street	MO
POD	0018	01287	Compton	PO	101 South Willowbrook Street	Hub City Sta.
POD	0019	01288	Covina	PO	170 East College Street	Federal Sta.
POD	0020	01290	Culver City	PO	9942 Culver Blvd.	Gateway Sta.
POD	0181	00181	Del Mar	PO-FB	122 Fifteenth Street	MO

CALIFORNIA (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0042	01313	East Los Angeles	Branch	975 South Atlantic Blvd.	East Los Angeles Br. - Los Angeles
POD	0022	01292	El Centro	PO	230 South Fifth Street	MO
POD	0023	01293	El Monte	PO	3570 North Lexington Street	MO
POD	0175	00175	El Portal	PO	Railroad & Main	MO
POD	0025	-00025	Fresno	PO-FB	2309 Tulare Street	MO
POD	0026	01296	Fullerton	PO	202 Commonwealth Avenue	Commonwealth Sta.
POD	0027	01297	Gardena	PO	1103 West Gardena Street	South Gardena Sta.
POD	0028	01301	Glendale	PO	313 East Broadway	MO
POD	0029	01298	Grass Valley	PO	129 South Auburn Street	MO
POD	0182	00182	Harbor City	PO-FB	25690 Frampton Avenue	MO
POD	0031	01300	Hayward	PO	822 C Street	Bradford Sta.
POD	0032	01302	Hollister	PO	Fifth & East Streets	MO
POD	0033	01303	Huntington Beach	PO	316 Olive Avenue	Beach Center Sta.
POD	0034	01304	Huntington Park	PO	6606 Seville Avenue	MO
POD	0035	01305	Inglewood	PO	300 East Hillcrest Blvd.	MO
POD	0189	00189	Jackson	PO-FB	424 Sutter Street	MO
POD	0036	01306	La Jolla	PO	1140 Wall Street	MO
POD	0037	01307	Lancaster	PO	567 West Lancaster Blvd.	Cedar Sta.
POD	0038	01308	Livermore	PO	220 South Livermore	MO
POD	0039	01309	Lodi	PO	120 South School Street	MO
POD	0040	01322	Long Beach	PO	300 Long Beach Blvd.	MO
POD	0193	------	Los Angeles	PO	Barrington Ave. & Barrington Pl.	Barrington Sta.
POD	0043	01312	Los Angeles	PO	1615 North Wilcox Avenue	Hollywood Sta.
POD	0051	01314	Los Angeles	Annex	900 North Alameda Street	Terminal Annex
	0052	"	"	"	" " " "	" "
	0053	"	"	"	" " " "	" "
POD	0044	01310	Los Banos	PO	1135 Sixth Street	MO
POD	0045	01316	Lynwood	PO	11200 Long Beach Blvd.	MO
POD	0046	01317	Madera	PO	201 South D Street	MO
POD	0047	01318	Manteca	PO	Maple & Center Street	MO
POD	0048	01321	Martinez	PO	815 Court Street	MO
POD	0049	01319	Marysville	PO	407 C Street	MO
POD	0050	01320	Maywood	PO	4357 East Slauson Avenue	MO
POD	0052	01324	Mill Valley	PO	55 Sunnyside Avenue	MO
POD	0054	01326	Monrovia	PO	225 South Ivy Avenue	MO
POD	0055	01327	Montebello	PO	145 North Fifth Street	MO
POD	0056	01328	Monterey	PO	565 Hartnell Street	MO
POD	0057	01329	Napa	PO	1351 Second Street	Franklin Sta.
POD	0058	01330	North Hollywood	PO	11304 Chandler Blvd.	MO
POD	0059	00059	Oakland	PO	13th and Alice Streets	Civic Center Sta.
POD	0061	01333	Oceanside	PO	517 First Street	First Street Sta.
POD	0062	01334	Ontario	PO	123 West Holt Blvd.	MO
POD	0063	01335	Orange	PO	308 West Chapman Avenue	Plaza Sta.
POD	0064	01336	Oroville	PO	1735 Robinson Street	MO
POD	0065	01337	Oxnard	PO	350 South A Street	Federal Bldg. Sta.
POD	0066	01338	Pacific Grove	PO	680 Lighthouse Avenue	MO
POD	0067	01339	Palo Alto	PO	380 Hamilton Avenue	MO
POD	0068	01340	Pasadena	PO	281 East Colorado Blvd.	MO
POD	0069	01341	Petaluma	PO	120 Fourth Street	MO
POD	0072	01346	Pomona	PO	440 South Thomas Street	Central District Sta.
POD	0073	01347	Porterville	PO	65 West Mill Avenue	MO
POD	0074	01348	Red Bluff	PO	433 Walnut Street	MO
POD	0075	01349	Redding	PO	1647 Yuba Street	MO
POD	0076	01350	Redlands	PO	201 Brookside Avenue	MO
POD	0077	01351	Redondo Beach	PO	201 South Catalina Avenue	MO
POD	0078	01352	Redwood City	PO	855 Jefferson Avenue	Downtown Sta.
POD	0079	01353	Reedley	PO	1509 Eleventh Street	MO
POD	0080	01354	Richmond	PO	11th and Nevin Avenue	MO
POD	0081	01355	Riverside	PO	3890 Orange Street	MO
POD	0082	01356	Roseville	PO	330 Vernon Street	MO
POD	0085	01357	St. Helena	PO	1461 Main Street	MO

CALIFORNIA (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0086	01358	Salinas	PO	100 West Alisal Street	MO
POD	0087	01360	San Bernardino	PO	390 West Fifth Avenue	Downtown Sta.
POD	0089	00089	San Diego	PO	815 E Street	MO
POD	0090	01362	San Fernando	PO	308 South McClay Avenue	MO
POD	0097	01367	San Francisco	PO	111 Spear Street	Rincon Annex
GSA	0153	00153	San Francisco	FB	390 Main Street	PCC
GSA	0157	00157	San Francisco	FB	333 Beale Street	Annex
POD	0101	01368	San Gabriel	PO	120 South Del Mar	MO
POD	0102	01369	San Jose	PO	105 North First Street	St. James Park Sta.
POD	0103	01370	San Luis Obispo	PO	893 Marsh Street	MO
POD	0104	01371	San Mateo	PO	210 South Ellsworth Street	St. Matthew Sta.
POD	0105	01372	San Pedro	PO-CU	839 South Beacon Street	MO
GSA	0106	00106	San Rafael	PO-FB	910 D Street	Mission Rafael Sta.
POD	0107	01374	Santa Ana	PO	615 Bush Street	Spurgeon Sta.
POD	0108	00108	Santa Barbara	PO	836 Anacapa Street	MO
POD	0109	01375	Santa Clara	PO	1200 Franklin Mall	MO
POD	0110	01377	Santa Cruz	PO	850 Front Street	MO
POD	0111	01378	Santa Maria	PO	120 West Cypress Street	MO
POD	0112	01379	Santa Monica	PO	1248 Fifth Street	MO
POD	0113	01380	Santa Paula	PO	111 South Mill Street	MO
POD	0116	01382	Sebastopol	PO	290 South Main Street	MO
POD	0117	01381	Selma	PO	2058 High Street	MO
POD	0192	00192	Sequoia Nat'l. Park	PO	Lodgepole Area	MO
POD	0183	00183	Solana Beach	PO-FB	Sierra Street	MO
POD	0118	01384	South Gate	PO	3270 Firestone	Firestone Sta.
POD	0119	01385	South Pasadena	PO	1001 Fremont Avenue	MO
POD	0120	01386	South San Francisco	PO	322 Linden Avenue	Linden Ave. Sta.
POD	0122	01388	Susanville	PO	65 North Lassen Avenue	MO
POD	0123	01389	Torrance	PO	1433 Marcelina Avenue	Marcelina Sta.
POD	0125	01391	Tulare	PO	340 East Tulare Street	MO
POD	0127	01393	Ukiah	PO	224 North Oak Street	MO
POD	0130	01396	Van Nuys	PO	14530 Sylvan Street	MO
POD	0131	01397	Venice	PO	1601 Main Street	MO
POD	0132	01398	Ventura	PO	675 East Santa Clara	MO
POD	0133	01399	Visalia	PO	111 West Acequia Street	MO
POD	0134	01400	Watsonville	PO	318 Union Street	MO
POD	0190	00190	Weed	PO-FB	560 Tebbe Street	MO
POD	0135	01401	Whittier	PO	6709 South Washington Avenue	Bailey Sta.
POD	0136	01402	Willows	PO	315 West Sycamore Street	MO
POD	0137	01403	Woodland	PO	712 Court Street	MO
POD	0128	01404	Yuba City	PO	761 Plumas Street	MO

COLORADO

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0002	01439	Boulder	PO	1905 Fifteenth Street	MO
POD	0003	01440	Canon City	PO	Fifth and Macon Avenue	MO
POD	0004	01441	Colorado Springs	PO	201 East Pikes Peak Avenue	MO
POD	0005	01442	Delta	PO	360 Meeker Street	MO
GSA	0006	00006	Denver	PO-FB	1823 Stout Street	MO
POD	0044	10000	Denver	PO	Sixteenth and Wynkoop	Terminal Annex
POD	0011	12097	Denver	Garage	915 South Logan Street	Garage - Bldg. A
POD	0012	12097	Denver	Garage	915 South Logan Street	Garage - Bldg. B
POD	0013	12097	Denver	Garage	915 South Logan Street	Garage - Bldg. C
POD	0014	12097	Denver	Garage	915 South Logan Street	Garage - Bldg. T-1
POD	0015	12097	Denver	Garage	915 South Logan Street	Garage - Bldg. T-2
POD	0016	01443	Denver	PO	225 South Broadway	South Denver Sta.

COLORADO (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0011	01444	Durango	PO	1060 Main Avenue	MO
POD	0012	01445	Englewood	PO	3330 South Broadway	Downtown Sta.
POD	0013	01446	Florence	PO	121 North Pikes Peak	MO
POD	0014	01447	Fort Collins	PO	201 South College Avenue	MO
POD	0015	01448	Fort Morgan	PO	300 State Street	MO
POD	0049	00049	Glenwood Springs	FB-PO	902 Grand Avenue	MO
POD	0017	01450	Golden	PO	619 Twelfth Street	MO
POD	0020	01453	Gunnison	PO	200 North Wisconsin Street	MO
POD	0021	01454	La Junta	PO	Fourth Street and Colorado	MO
POD	0022	01455	Lamar	PO	300 South Fifth Street	MO
POD	0023	01456	Las Animas	PO	513 Sixth Street	MO
POD	0047	00047	Leadville	FB-PO	West Fifth and North Pine Streets	MO
POD	0025	01458	Littleton	PO	5753 South Prince	MO
POD	0026	01459	Longmont	PO	501 Fifth Avenue	MO
POD	0027	01460	Loveland	PO	401 Cleveland Avenue	MO
POD	0028	01461	Manitou Springs	PO	307 Canon Avenue	MO
POD	0029	01462	Monte Vista	PO	Washington and Second Ave.	MO
POD	0030	01463	Montrose	PO	321 South First Street	MO
POD	0031	01464	Pueblo	PO-CT	421 North Main Street	MO
POD	0032	01465	Rifle	PO	Railroad Avenue & Fourth Street	MO
POD	0033	01466	Rocky Ford	PO	401 North Ninth Street	MO
POD	0035	01468	Sterling	PO-CT	Third and Poplar	MO
POD	0036	01469	Trinidad	PO	301 East Main Street	MO
POD	0037	01470	Walsenburg	PO	204 East Sixth Street	MO

CONNECTICUT

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	00852	Ansonia	PO	237 Main St.	MO
POD	0002	00853	Branford	PO	1111 Main St.	MO
POD	0003	00003	Bridgeport	PO	120 Middle St.	MO.
POD	0005	00856	Clinton	PO	2 West Main St.	MO
POD	0006	00857	Danbury	PO	265 Main St.	MO
POD	0007	00858	Danielson	PO	35 Water St.	MO
POD	0008	00859	Derby	PO	74 Olivia St.	MO
POD	0009	00860	East Hampton	PO	87 Main St.	MO
POD	0014	00866	East Hartford	Branch	850 Main St.	East Hartford Br. Hartford PO
POD	0044	00484	Enfield	PO	89 High St.	MO
POD	0010	00861	Fairfield	PO	1262 Boston Post Road	MO
POD	0012	00863	Greenwich	PO	310 Greenwich Ave.	MO
POD	0013	00013	Hartford	PO-FB	135 High St.	MO
POD	0015	00867	Lakeville	PO	Main St.	MO
POD	0016	00868	Madison	PO	761 Boston Post Road	MO
POD	0017	00869	Manchester	PO	479 Main St.	MO
POD	0018	00870	Meriden	PO	87 North Colony St.	MO
POD	0019	00871	Middletown	PO	291 Main St.	MO
POD	0020	00872	Milford	PO	6 West River St.	MO
POD	0021	00873	Mystic	PO	23 East Main St.	MO
POD	0022	00874	Naugatuck	PO	295 Church St.	MO
POD	0023	00875	New Britain	PO	120 West Main St.	MO
POD	0036	00878	New Haven	Station	85 Fountain St.	Westville Sta.
POD	0038	00879	New London	PO	27 Masonic St.	MO
POD	0040	00881	Norwalk	PO	16 Washington St.	MO
POD	0050	00881	Norwalk	Station	2 Belden Ave.	Belden Sta.
POD	0084	00084	New Haven	PO-CH	141 Church St.	MO

CONNECTICUT (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0031	00882	Norwich	PO	340 Main Street	MO
POD	0032	00883	Oakville	PO	322 Main Street	MO
POD	0033	00884	Plainville	PO	56 Whiting Street	MO
POD	0034	00885	Portland	PO	320 Main Street	MO
POD	0035	00886	Putnam	PO	109 Main Street	MO
POD	0036	00887	Rockville	PO	36 Park Street	MO
POD	0037	00888	Seymour	PO	91 Main Street	MO
POD	0038	00889	Shelton	PO	83 Bridge Street	MO
POD	0039	00890	Southington	PO	125 Main Street	MO
POD	0041	00892	Stamford	PO	421 Atlantic Street	MO
POD	0042	00893	Stonington	PO	Broad Street	MO
POD	0043	04330	Thomaston	PO	180 Main Street	MO
POD	0045	00895	Torrington	PO	9 Church Street	MO
GSA	0064	00046	Wallingford	PO	4 South Main Street	MO
POD	0047	00897	Waterbury	PO-FB-CT	135 Grand Street	MO
POD	0048	00898	Westport	PO	154 East State Street	MO
POD	0068	20218	Windsor Locks	PO-FB	10 Main Street	MO
POD	0061	00901	Winstead	PO	234 Main Street	MO
POD	0035	00877	West Haven	Branch	589 Campbell Avenue	West Haven Br. - New Haven P.O.

DELAWARE

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0002	01931	Georgetown	PO	2 The Circle	MO
POD	0003	01932	Harrington	PO	Commerce and Clark Streets	MO
POD	0004	01933	Laurel	PO	400 Central Avenue	MO
POD	0005	01934	Lewes	PO	Front and Bank Streets	MO
POD	0007	01937	Newark	PO	Main and Center Streets	Federal Sta.
POD	0008	01938	New Castle	PO	501 Delaware Street	MO
POD	0009	01939	Rehoboth Beach	PO	59 Rehoboth Avenue	MO
POD	0010	01940	Seaford	PO	203 High Street	MO
POD	0011	01941	Selbyville	PO	Church Avenue and Church Street	MO
GSA	0015	00015	Wilmington	PO-CT	11th and Market Streets	

DISTRICT OF COLUMBIA

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
GSA	0028	00028	Washington	PO-FB	12th & Pa. Avenue., N.W.	Headquarters
POD	0015	04169	Washington	CU	1215 31st Street, N.W.	Georgetown Br.
POD	0011	04172	Washington	PO	North Capitol & Mass. Ave., N.W.	MO

FLORIDA

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	02228	Apalachicola	PO	Avenue D and Commerce Street	MO
POD	0002	02229	Arcadia	PO	109 North Polk Avenue	MO
POD	0003	02230	Bartow	PO	220 South Central Avenue	MO
POD	0004	02231	Bradenton	PO	834 Manatee Avenue, West	MO
POD	0006	00006	Clearwater	PO	Cleveland Street & East Avenue	Cleveland St. Sta.
POD	0009	00069	Cross City	PO-FB	Cedar and Wilson Avenue	MO

FLORIDA (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0007	02234	Daytona Beach	PO	220 North Beach Street	MO
POD	0008	02235	DeFuniak Springs	PO	Nelson Avenue and Seventh Street	MO
POD	0010	02227	Fernandina Beach	PO	401 Atlantic Avenue	MO
POD	0012	02223	Fort Lauderdale	PO	200 S. E. First Avenue	MO
GSA	0014	00014	Fort Pierce	PO-FB	500 Orange Avenue	Station A
POD	0017	02222	Jacksonville	PO	1136 West Bay Street	West Bay Annex
POD	0018	02221	Jasper	PO-FB	Central Avenue & First Street	MO
POD	0020	02251	Kissimmee	PO	22 West Monument Avenue	MO
POD	0021	02252	Lake City	PO	35 North Hernando Street	MO
POD	0023	02254	Lake Wales	PO	8 West Park Avenue	MO
POD	0024	02256	Lake Worth	PO	720 Lucerne Avenue	MO
POD	0026	02257	Live Oak	PO	400 South Ohio Avenue	MO
POD	0027	02535	Madison	PO	200 E. Pinckney Street	MO
POD	0028	02536	Marianna	PO-CT	Lafayette & Caledonia Streets	MO
POD	0029	00029	Miami	PO-CT	300 N. E. First Avenue	MO
POD	0030	02249	Miami Beach	Branch	1300 Washington Avenue	Miami Beach Br. - Miami P.O.
POD	0031	02562	Milton	PO	200 Walnut Street	MO
POD	0056	00056	Monticello	PO-FB	275 North Jefferson Street	MO
POD	0071	00061	North Miami	PO-FB	995 N. W. 119th Street	Gratigny Br. - Miami P. O.
POD	0070	00070	Oakland Park	PO-FB	3350 N. E. 12th Avenue	Oakland Park Br. - Ft. Lauderdale P.O.
POD	0072	00072	Ocoee	PO-FB	449 West Silver Star Road	MO
POD	0034	02556	Orlando	PO-FB	46 East Robinson Street	Downtown Sta.
POD	0036	02558	Palm Beach	PO	98 North County Road	MO
POD	0037	02559	Panama City	PO	421 Jenks Avenue	MO
POD	0040	02547	Perry	PO	301 West Green Street	MO
POD	0041	02548	Plant City	PO	301 West Reynolds Street	MO
POD	0042	02546	Quincy	PO	E. Jefferson & S. Duval Streets	MO
POD	0044	02685	St. Petersburg	PO	First Avenue North & Fourth Street	Open Air Sta.
POD	0047	02571	Sebring	PO	101 North Ridgewood Drive	MO
POD	0048	02572	Starke	PO	122 North Walnut Street	MO
POD	0049	02573	Tallahassee	PO-CH	110 East Park Avenue	MO
POD	0074	00074	Umatilla	PO-FB	277 North Central Avenue	MO
POD	0052	02603	West Palm Beach	PO	400 South Olive Avenue	MO

GEORGIA

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0123	00123	Acworth	PO-FB	204 North Main Street	MO
POD	0001	02622	Adel	PO	115 East Fourth Street	MO
POD	0002	02623	Albany	PO-CT	337 Broad Avenue	MO
POD	0004	02317	Ashburn	PO	East College Avenue	MO
POD	0007	00007	Atlanta	PO	77 Forsyth Street	Federal Annex
POD	0009	02308	Augusta	PO-CT	East Ford Street	MO
POD	0011	02310	Barnesville	PO	Forsythe and College	MO
POD	0012	02311	Baxley	PO	Tippins and Dean Streets	MO
POD	0013	02312	Blackshear	PO	Main Street and Park Avenue	MO
POD	0014	02313	Blakely	PO	South Main and Liberty Streets	MO
POD	0015	02305	Buford	PO	95 Scott Street	MO
POD	0016	02483	Cairo	PO	203 North Broad Street	MO
POD	0017	02304	Calhoun	PO	200 North Wall Street	MO
POD	0018	02384	Camilla	PO	13 Broad Street	MO
POD	0019	02683	Canton	PO	192 West Main Street	MO
POD	0022	02682	Cedartown	PO	College Street and W Avenue	MO
POD	0124	00124	Chatsworth	PO-FB	Fort and Fourth Streets	MO
POD	0023	02678	Cochran	PO	315 South Second Street	MO

GEORGIA (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0024	02679	College Park	Branch	[illegible]799 Main Street	College Park Br. - Atlanta P. O.
POD	0025	00025	Columbus	PO-CT	[illegible]20 Twelfth Street	MO
POD	0026	02677	Commerce	PO	Broad and Sycamore	MO
POD	0027	02675	Conyers	PO	920 Main Street, N.E.	MO
POD	0028	02674	Cordele	PO	Eleventh Avenue and Sixth Street	MO
POD	0029	02672	Cornelia	PO	106 Hodges Street	MO
POD	0030	02673	Covington	PO	206 Monticello Street	MO
POD	0031	02670	Cuthbert	PO	112 Court Street	MO
POD	0033	02665	Dawson	PO	Stonewall and Lee Streets	MO
POD	0037	02669	Eastman	PO	111 Main Street, S.E.	MO
POD	0039	02643	Eatonton	PO	Jefferson and Harris Streets	MO
POD	0040	02657	Elberton	PO	204 Heard Street	MO
POD	0042	02659	Forsyth	PO	38 West Main Street	MO
POD	0043	02660	Fort Valley	PO	300 West Church Street	MO
POD	0045	02662	Greensboro	PO-FB	115 Main Street	MO
POD	0046	02644	Griffin	PO	141 West Solomon Street	MO
POD	0047	02645	Hapeville	Branch	850 Central Avenue	Hapeville Br. - Atlanta P.O.
POD	0048	02646	Hartwell	PO-FB	106 West Franklin Street	MO
POD	0049	02647	Hawkinsville	PO	Commerce and Dooly Streets	MO
POD	0050	02648	Jackson	PO-FB	132 South Mulberry Street	MO
POD	0051	02649	Jesup	PO	162 East Cherry Street	MO
POD	0054	02652	Lawrenceville	PO-FB	245 Crogan Street, S.W.	MO
POD	0055	02653	Louisville	PO-FB	131 West Broad Street	MO
POD	0056	02654	Lyons	PO	North State Street	MO
POD	0062	02656	McRae	PO	211 South Second Avenue	MO
POD	0751	00750	Macon	PO-FB	451 College Street	MO
POD	0752	00750	Macon	Garage	451 College Street	VMF
POD	0058	02642	Madison	PO	100 South Main Street	MO
POD	0059	02641	Manchester	PO	133 West Main Street	MO
GSA	0106	00106	Milledgeville	PO-FB	114-116 E. Hancock Street	MO
POD	0064	02637	Millen	PO	200 East Winthrope Avenue	MO
POD	0066	02635	Montezuma	PO	108 Cabot Street	MO
POD	0067	02634	Monticello	PO-FB	145 East Washington Avenue	MO
POD	0070	02633	Pelham	PO	806 Matthewson Avenue	MO
POD	0071	02632	Quitman	PO	400 Block E Screven Street	MO
POD	0072	02631	Rockmart	PO	130 Elm Street	MO
POD	0073	02630	Rome	PO-CT	42 East Fourth Avenue	MO
POD	0074	02629	Rossville	PO	301 Chickamauga Avenue	MO
POD	0111	00111	Sparta	FB	East Broad Street	MO
POD	0082	02629	Summerville	PO	103 South Commerce Street	MO
POD	0084	02624	Sylvania	PO	113 South Main Street	MO
POD	0085	02614	Sylvester	PO	122 North Main Street	MO
POD	0086	02615	Thomaston	PO	103 East Thompson Street	MO
POD	0088	02618	Thomson	PO	853 Main Street	MO
POD	0126	00126	Toccoa	PO-FB	411 Falls Road	MO
POD	0117	00117	Warm Springs	PO	Highway 85	MO
POD	0093	02610	Warrenton	PO-FB	301 West Main Street	MO
POD	0095	02608	Waycross	PO-CT	605 Elizabeth Street	MO
POD	0096	02607	Waynesboro	PO	721 Liberty Street	MO
POD	0097	02606	West Point	PO	West Eighth and Fourth Ave.	MO
GSA	9116	00116	Winder	PO-FB	Broad Street	MO
POD	0099	02604	Wrightsville	PO-FB	151 South Marcus Street	MO

HAWAII

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0600	00600	Honolulu	Annex	530 John Rogers Blvd.	Damon Tract Annex
POD	0005	60170	Lihue	PO	4441 Rice Street	MO
GSA	0007	00007	Wailuku	PO-FB	High and Wells Streets	MO

IDAHO

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	02879	Blackfoot	PO	165 West Pacific St.	MO
POD	0004	02880	Bonners Ferry	PO	215 1st Ave.	MO
POD	0005	02881	Buhl	PO	630 Main St.	MO
POD	0006	02882	Burley	PO	1353 Overland	MO
POD	0007	02883	Caldwell	PO	823 Arthur	MO
POD	0009	02885	Grangeville	PO	300 West Main St.	MO
POD	0011	02887	Kellogg	PO	302 South Division St.	MO
POD	0013	02889	Moscow	PO-CT	203 East 3rd Ave.	MO
POD	0014	02890	Nampa	PO	123 11th Ave. South	MO
POD	0015	02891	Orofino	PO	320 Michigan Ave.	MO
POD	0016	02892	Payette	PO	915 Center Ave.	MO
POD	0018	02894	Preston	PO	55 East Oneida St.	MO
POD	0019	02895	St. Anthony	PO	48 West 1st, North	MO
POD	0022	02898	Wallace	PO	403 Cedar St.	MO
POD	0023	02899	Weiser	PO	106 West Main St.	MO

ILLINOIS

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	00001	Abingdon	PO	123 West Meek	MO
POD	0002	00002	Albion	PO	104 West Main St.	MO
POD	0003	00003	Aledo	PO	117 North College Ave.	MO
POD	0005	00005	Anna	PO	201 North Main Street	MO
POD	0216	00216	Arthur	PO-FB	315 South Vine	MO
POD	0006	00006	Aurora	PO	18 West Benton Street	MO
POD	0007	00007	Batavia	PO	106 W. Wilson St.	MO
POD	0008	00008	Beardstown	PO	101 E. Main Street	MO
POD	0010	00010	Belvidere	PO	200 South State Street	MO
POD	0011	00011	Berwyn	PO	6625 W. Cermak Road	MO
POD	0012	00012	Bloomington	PO	400 N. East St.	MO
POD	0013	00013	Blue Island	PO	2441 Vermont Street	MO
POD	0014	00014	Bradley	PO	25 West Broadway	MO
GSA	0196	00196	Breese	PO-FB	Clinton and Second Streets	MO
POD	0015	00015	Brookfield	PO	3731 Prairie Ave.	MO
POD	0016	00016	Bushnell	PO	223 E. Hail St.	MO
POD	0017	00017	Cairo	PO-CT	1500 Washington Ave.	MO
POD	0018	00018	Calumet City	PO	880 Wentworth Ave.	MO
POD	0019	00019	Canton	PO	60 West Elm Street	MO
POD	0020	00020	Carbondale	PO	301 West Main Street	MO
POD	0021	00021	Carlinville	PO	129 E. 1st South Street	MO
POD	0022	00022	Carlyle	PO	1060 Fairfax Street	MO
POD	0023	00023	Carmi	PO	201 South Walnut	MO
POD	0024	00024	Carrollton	PO	409 North Main Street	MO
POD	0025	00025	Carthage	PO	615 Main Street	MO
POD	0026	00026	Charleston	PO	300 6th Street	MO

ILLINOIS (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0039	00020	Chester	PO	1211 Swanwick Street	MPO
POD	0049	00045	Chicago	PO	1859 S. Ashland Ave.	Pilsen Sta.
POD	0042	00038	Chicago	PO	5401 W. Lawrence Ave.	Jefferson Sta.
POD	0040	00036	Chicago	PO	2302 South Pulaski Road	Hawthorne Sta.
POD	0047	00043	Chicago	PO	5419 W. Monroe St.	Midwest Sta.
POD	0044	00040	Chicago	PO	1942 W. Irving Park Road	[illegible] Sta.
POD	0039	00035	Chicago	PO	7740 S. Cottage Grove Ave.	Grand Crossing Sta.
POD	0043	00039	Chicago	PO	3750 N. Kedzie Ave.	Kedzie-Grace Sta.
POD	0048	00044	Chicago	PO	1805 West Monterey	Morgan Park Sta.
POD	0045	00041	Chicago	PO	2643 North Clark Street	Lincoln Park Sta.
POD	0046	00042	Chicago	PO	2339 No. California Ave.	Logan Square Sta.
POD	0041	00037	Chicago	PO	6401 S. Cottage Grove Ave.	Hyde Park Sta.
POD	0036	00033	Chicago	PO	830 North Clark St.	Chestnut St. Sta.
POD	0035	00031	Chicago	Garage	748 S. Canal Street	Central Garage
POD	0030	00030	Chicago	PO	611 W. 63rd St.	Englewood Sta.
POD	0034	00034	Chicago	PO	433 W. Van Buren	Main Post Office
POD	0506	04100	Chicago	Annex	601 W. Harrison St.	PO Annex 1
POD	0507	04100	Chicago	Annex	358 W. Harrison St.	PO Annex 2
POD	0050	00046	Chicago	PO	11033 S. State Street	Roseland Sta.
POD	0052	00048	Chicago	PO	4101 S. Halsted St.	Stockyards Sta.
POD	0053	00049	Chicago	PO	4850 N. Broadway	Uptown Sta.
POD	0066	00061	Chillicothe	PO	1114 N. Second Street	MPO
POD	0037	00032	Cicero	Branch	[illegible] South [illegible] Street	Cicero Br. Chicago PO
POD	0057	00053	Clinton	PO	108 N. Quincy St.	MPO
POD	0059	00054	Danville	PO - CT	201 N. Vermilion St.	MPO
POD	0060	00055	Decatur	PO	214 N. Franklin	MPO
POD	0062	00057	Des Plaines	PO	622 Graceland Ave.	MPO
POD	0064	00059	Downers Grove	PO	920 Curtiss Street	MPO
POD	0065	00060	Du Quoin	PO	206 E. Main Street	MPO
POD	0066	00061	Dwight	PO	100 E. Mazon Ave.	MPO
POD	0067	00062	East Alton	PO	200 Smith Ave.	MPO
POD	0068	00063	East Moline	PO	605 16th Ave.	MPO
POD	0069	00064	East St. Louis	PO - CT	750 Missouri Ave.	MPO
POD	0217	00217	Edwardsville	PO-FB	123 N. Kansas	MPO
POD	0073	00067	Eldorado	PO	900 Fourth Street	MPO
POD	0074	00069	Elmhurst	PO	154 W. Park Ave.	MPO
POD	0075	00070	Evanston	PO	1101 Davis St.	MPO
POD	0076	00071	Fairfield	PO	220 E. Delaware	MPO
POD	0077	00072	Flora	PO	213 E. North Ave.	MPO
POD	0078	00073	Forest Park	PO	437 Des Plaines Ave.	MPO
POD	0079	00074	Freeport	PO - CT	102-108 N. Chicago Ave.	MPO
POD	0080	00075	Fulton	PO	915 4th Street	MPO
POD	0081	00076	Galena	PO	Commerce and Green St.	MPO
POD	0082	00077	Galesburg	PO	470 E. Main St.	MPO
POD	0083	00078	Geneseo	PO	120 W. First St.	MPO
POD	0084	00079	Geneva	PO	90 South 3rd St.	MPO
POD	0085	00080	Gibson City	PO	127 E. 8th Street	MPO
POD	0086	00081	Gillespie	PO	200 W. Spruce St.	MPO
POD	0087	00082	Glen Ellyn	PO	550 Pennsylvania Ave.	MPO
POD	0088	00084	Greenville	PO	200 West Main St.	MPO
POD	0090	00085	Hamilton	PO	1100 Broadway	MPO
POD	0092	00087	Harvey	PO	15441 Center Ave.	MPO
POD	0093	00088	Havana	PO	130 N. Orange Street	MPO
POD	0094	00089	Herrin	PO	200 N. Park Ave.	MPO
POD	0095	00090	Highland	PO	901 Main St.	MPO
POD	0096	00091	Hillsboro	PO	100 W. Wood Street	MPO
POD	0097	00092	Hinsdale	PO	111 E. Chicago	MPO
POD	0098	00093	Homewood	PO	1001 Ridge Road	MPO
POD	0099	00094	Hoopeston	PO	214 N. Market Street	MPO
POD	0100	00095	Jacksonville	PO	South East Street	MPO

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ILLINOIS (continued)

Oper.-Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0170	00121	Sandwich	PO	21 North Eddy Street	MO
POD	0171	00166	Savanna	PO	301 Third Street	MO
POD	0173	00168	Shelbyville	PO	200 S. Morgan Street	MO
POD	0174	00167	Spring Valley	PO	100 East Erie Street	MO
POD	0175	00169	Staunton	PO	115 S. Edwardsville Street	MO
POD	0177	00170	Streator	PO	221 East Hickory Street	MO
POD	0178	00171	Sycamore	PO	104 East State Street	MO
POD	0179	00172	Taylorville	PO	200 S. Main Street	MO
POD	0180	00173	Tuscola	PO	130 E. Sale Street	MO
POD	0181	00174	Urbana	PO	202 S. Broadway	MO
POD	0182	00175	Vandalia	PO	204 S. Fourth Street	MO
POD	0183	00176	Villa Park	PO	321 E. Main Street	MO
POD	0184	00177	Virden	PO	211 N. Springfield	MO
POD	0186	00178	Watseka	PO	101 W. Walnut Street	MO
POD	0187	00179	Waukegan	PO	326 N. Genesee Street	MO
POD	0188	00180	West Frankfort	PO	219 E. Main Street	MO
POD	0189	00181	Wheaton	PO	122 N. Wheaton Ave.	MO
POD	0190	00182	Whitehall	PO	116 S. Jacksonville Street	MO
POD	0191	00183	Wilmette	PO	1241 Central Avenue	MO
POD	0192	00184	Wood River	PO	101 Ferguson Avenue	MO
POD	0193	00185	Woodstock	PO	124 S. Johnson	MO

INDIANA

Oper.-Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	00187	Alexandria	PO	201 West Church Street	MO
POD	0002	00188	Angola	PO	200 East Maumee	MO
POD	0004	00190	Attica	PO	107 East Main Street	MO
POD	0005	00191	Auburn	PO	200 South Jackson Street	MO
POD	0006	00193	Aurora	PO	401 Third Street	MO
POD	0007	00192	Batesville	PO	5 West George Street	MO
POD	0008	00194	Bedford	PO	1324 K Street	MO
POD	0009	00195	Berne	PO	215 West Main Street	MO
POD	0010	00197	Bloomfield	PO	Washington & East Indiana Avenue	MO
POD	0012	00199	Bluffton	PO	225 South Main Street	MO
POD	0013	00200	Boonville	PO	212 West Locust Street	MO
POD	0014	00201	Brazil	PO	Walnut & Washington Streets	MO
POD	0015	00202	Cambridge City	PO	227 West Main Street	MO
POD	0016	00203	Clinton	PO	445 Vine Street	MO
POD	0017	00204	Columbia City	PO	115 North Chauncey Street	MO
POD	0019	00205	Connersville	PO	601 Central Avenue	MO
POD	0119	00420	Crane	PO	Eighth and Central	MO
POD	0020	00207	Crawfordsville	PO	300 East Main Street	MO
POD	0021	00208	Crown Point	PO	120 South East Street	MO
POD	0022	00209	Culver	PO	115 West Jefferson	MO
POD	0023	00210	Danville	PO	101 West Marion Street	MO
POD	0024	00211	Decatur	PO	215 Court Street	MO
POD	0025	00212	Delphi	PO	Franklin & Market	MO
POD	0026	00213	Dunkirk	PO	Commerce & Franklin	MO
POD	0027	00214	East Chicago	PO	901 East Chicago Avenue	MO
POD	0029	00216	Elwood	PO	116 North Anderson Street	MO
POD	0028	00217	Evansville	PO	600 Sycamore Street	MO
GSA	0149	---	Evansville	FB-CT	101 Northwest Seventh Street	None
GSA	0127	00218	Fort Wayne	PO-CT	1300 South Harrison	MO
POD	0031					

INDIANA (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0032	00219	Fowler	PO	120 South Madison Street	MO
POD	0033	00220	Frankfort	PO	201 West Washington	MO
POD	0034	00221	Franklin	PO	55 West Madison Street	MO
POD	0035	00222	French Lick	PO	College & Walnut	MO
POD	0036	00223	Garrett	PO	Kayser and Cowen Streets	MO
POD	0037	00224	Gary	PO	115 East Sixth Avenue	MO
POD	0038	00225	Gas City	PO	123 North Second Street	MO
POD	0039	00226	Goshen	PO	301 East Lincoln Avenue	MO
POD	0040	00227	Greencastle	PO	8 East Walnut Street	MO
POD	0041	00228	Greenfield	PO	207 North State Street	MO
POD	0042	00229	Greensburg	PO	221 North Franklin	MO
POD	0043	00230	Hagerstown	PO	10 West Main Street	MO
POD	0045	00231	Hartford City	PO	123 South High Street	MO
POD	0046	00232	Hobart	PO	221 Main Street	MO
POD	0049	00234	Indianapolis	PO	6235 Carrollton Avenue	Broad Ripple Sta.
POD	0051	00051	Indianapolis	PO	325 South Illinois Street	Illinois Street Sta.
POD	0052	00235	Jasper	PO	206 East Sixth Street	MO
POD	0054	00237	Kendallville	PO	119 West Mitchell	MO
POD	0055	00238	Knightstown	PO	37 North Jefferson Street	MO
POD	0056	00239	Kokomo	PO	120 East Mulberry Street	MO
POD	0057	00240	Lafayette	PO	Fourth and Ferry Streets	MO
POD	0058	00241	Lagrange	PO	302 South Detroit Street	MO
POD	0060	00243	Lawrenceburg	PO	Short and Williams	MO
POD	0061	00244	Lebanon	PO	304 West Main Street	MO
POD	0062	00245	Liberty	PO	39 East Union Street	MO
POD	0063	00246	Ligonier	PO	Main and Second Streets	MO
POD	0064	00247	Linton	PO	100 South Main Street	MO
POD	0067	00250	Marion	PO	202 West Third Street	MO
POD	0068	00251	Martinsville	PO	10 South Main Street	MO
POD	0069	00252	Michigan City	PO	East Fifth and Pine Streets	MO
POD	0070	00253	Middlebury	PO	201 South Main Street	MO
POD	0072	00255	Monticello	PO	125 West Broadway	MO
POD	0073	00256	Mount Vernon	PO	Third and Walnut	MO
POD	0075	00258	Nappanee	PO	202 East Market Street	MO
POD	0077	00260	New Castle	PO	305 South 14th Street	MO
POD	0078	00261	Noblesville	PO	139 South Ninth Street	MO
POD	0079	00262	North Manchester	PO	202 East Second Street	MO
POD	0080	00263	North Vernon	PO	Madison Avenue	MO
POD	0081	00264	Paoli	PO	Gospel and Campbell Streets	MO
POD	0082	00265	Pendleton	PO	137 West State Street	MO
POD	0084	00267	Plymouth	PO	124 West Garro Street	MO
POD	0085	00268	Portland	PO	119 South Meridian Street	MO
POD	0086	00269	Princeton	PO	139 East Broadway Street	MO
POD	0087	00270	Rensselaer	PO	Rustic & Van Rensselaer	MO
POD	0088	00271	Richmond	PO	30 North Ninth Street	MO
POD	0089	00272	Rochester	PO	Eighth and Madison Streets	MO
POD	0090	00273	Rockville	PO	102 North Market Street	MO
POD	0091	00274	Rushville	PO	230 West Third Street	MO
POD	0092	00275	Salem	PO	Walnut and High	MO
GSA	0124	00124	Scottsburg	PO-FB	W. McClain and N. Bond Streets	MO
POD	0126	00120	Seymour	PO	221 North Chestnut Street	MO
POD	0094	00278	Shelbyville	PO	106 East Washington Street	MO
POD	0095	00279	Sheridan	PO	107 West Fourth Street	MO
POD	0125	00125	Shoals	PO-FB	Main and Second	MO
POD	0096	00096	South Bend	PO-CT	204 South Main Street	MO
POD	0097	00281	Spencer	PO	30 South Washington Street	MO
POD	0098	00282	Sullivan	PO	150 East Washington Street	MO
POD	0099	00283	Tell City	PO	616 Main Street	MO
GSA	0100	00100	Terre Haute	PO-FB	Seventh and Cherry Streets	MO
POD	0101	00284	Tipton	PO	202 East Jefferson Street	MO

INDIANA (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0102	00285	Union City	PO	102 West Pearl Street	MO
POD	0103	00286	Valparaiso	PO	166 Lincolnway	MO
POD	0105	00288	Wabash	PO	110 South Miami Street	MO
POD	0106	00289	Warsaw	PO	Market and Lake St.	MO
POD	0108	00291	Whiting	PO	1501 119th Street	MO
POD	0109	00292	Winchester	PO	130 North Meridian Street	MO

IOWA

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	03250	Albia	PO	104 Benton Avenue, West	MO
POD	0003	03255	Ames	PO	511 Kellogg Avenue	MO
POD	0004	03256	Anamosa	PO	116 South Ford Street	MO
POD	0005	03257	Atlantic	PO	20 East Fifth Street	MO
POD	0006	03258	Audubon	PO	428 Tracy Street	MO
POD	0008	03272	Bloomfield	PO	202 West Jefferson Street	MO
GSA	0103		Burlington	PO-FB	300 North Main Street	MO
POD	0014	03380	Centerville	PO	100 West Maple Street	MO
POD	0015	03266	Chariton	PO	126 South Grand Street	MO
POD	0016	03359	Charles City	PO	500 North Main Street	MO
POD	0018	03264	Clarinda	PO	101 South Sixteenth Street	MO
POD	0019	03263	Clarion	PO	114 First Street, N.E.	MO
POD	0020	03262	Clinton	PO	301 Fifth Avenue, South	MO
POD	0021	03261	Columbus Junction	PO	204 Second Street	MO
POD	0022	03366	Corning	PO	606 Seventh Street	MO
POD	0023	03260	Corydon	PO	West State Street	MO
POD	0025	03313	Cresco	PO	128 Second Avenue, West	MO
POD	0026	03312	Creston	PO-CT	220 North Maple Street	MO
POD	0029	03309	Denison	PO	Main and First Avenue, North	MO
POD	0033	03296	Des Moines	PO	124 Walnut Street	MO
POD	0034	03336	Dewitt	PO	510 Ninth Street	MO
POD	0036	03335	Eldora	PO	1334 Edgington Avenue	MO
POD	0037	03344	Emmetsburg	PO	2210 Tenth Street	MO
POD	0038	03136	Estherville	PO	603 Second Avenue, North	MO
POD	0039	03368	Fairfield	PO	200 West Broadway	MO
POD	0040	03135	Forest City	PO	312 North Clark Street	MO
POD	0043	03133	Glenwood	PO	101 South Vine Street	MO
POD	0044	03131	Grinnell	PO	932 Broad Street	MO
POD	0045	03130	Hamburg	PO	306 F Street	MO
POD	0046	03129	Hampton	PO	22 South Federal	MO
POD	0047	03128	Harlan	PO	1209 Seventh Street	MO
POD	0048	03127	Hawarden	PO	900 Central Avenue	MO
POD	0049	03126	Ida Grove	PO	300 Main Street	MO
POD	0050	03125	Independence	PO	200 Second Street, N. E.	MO
POD	0051	03376	Iowa City	PO	28 South Linn Street	MO
POD	0052	03176	Iowa Falls	PO	401 Main Street	MO
POD	0053	03175	Jefferson	PO	106 West Harrison Street	MO
POD	0054	03202	Keokuk	PO-CT	Seventh and Blondeau Streets	MO
POD	0109	00109	Keosauqua	PO-FB	Dodge and Second Street	MO
POD	0055	03200	Knoxville	PO	201 East Marion Street	MO
POD	0057	03189	Leon	PO	107 East Ninth Street	MO
POD	0058	03196	Manchester	PO	Madison and Delaware	MO
POD	0059	03197	Maquoketa	PO	208 North Main Street	MO
POD	0060	03403	Marengo	PO	196 West Washington	MO
POD	0062	03216	Mason City	PO-CT	211 N. Delaware Avenue	MO
POD	0064	03215	Missouri Valley	PO	116 North Fifth Street	MO

IOWA (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0065	03214	Monticello	PO	119 North Cedar Street	MO
POD	0066	03213	Mount Ayr	PO	300 West Madison Street	MO
POD	0067	03345	Mount Pleasant	PO	200 North Jefferson Street	MO
POD	0068	03346	Muscatine	PO	315 Iowa Avenue	MO
POD	0069	03347	Nevada	PO	437 K Avenue	MO
POD	0070	03348	New Hampton	PO	108 North Chestnut Avenue	MO
POD	0072	03350	Oelwein	PO	30 First Avenue, N. E.	MO
POD	0073	03351	Onawa	PO	1017 Iowa Avenue	MO
POD	0074	03352	Osage	PO	118 North Eighth Street	MO
POD	0075	03353	Osceola	PO	104 South Fillmore Street	MO
POD	0078	03356	Pella	PO	801 Franklin Street	MO
POD	0080	03367	Red Oak	PO	503 Coolbaugh Street	MO
POD	0081	03328	Rock Rapids	PO	217 North Second Street	MO
POD	0082	03329	Rockwell City	PO	520 Fourth Street	MO
POD	0083	03330	Sac City	PO	519 Audubon	MO
POD	0086	03251	Sigourney	PO	115 West Washington Street	MO
POD	0087	00087	Sioux City	PO-CT	320 Sixth Street	MO
POD	0088	03367	Spencer	PO	21 West Fifth Street	MO
POD	0090	03234	Tipton	PO	512 Lynn Street	MO
POD	0091	03236	Vinton	PO	516 First Avenue	MO
POD	0092	03235	Washington	PO	115 North Marion Avenue	MO
POD	0093	03237	Waterloo	PO-CT	415 Commercial Street	MO
POD	0094	03219	Waukon	PO	113 West Main Street	MO
POD	0095	03220	Waverly	PO	134 Second Street, S. E.	MO
POD	0096	03221	Webster City	PO	901 Willson Street	MO
POD	0097	03246	West Union	PO	211 North Vine Street	MO
POD	0098	03267	Winterset	PO	120 North Second Avenue	MO

KANSAS

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	03343	Abilene	PO	217 No. Buckeye Avenue	MO
POD	0002	03232	Anthony	PO	121 West Steadman	MO
POD	0004	03234	Atchison	PO	621 Kansas Avenue	MO
POD	0005	03225	Augusta	PO	119 East Fifth Street	MO
POD	0006	03226	Baxter Springs	PO	1115 Park Avenue	MO
POD	0007	03227	Belleville	PO	1119 18th Street	MO
POD	0008	03228	Beloit	PO	201 East Main Street	MO
POD	0009	03229	Burlington	PO	104 South Fourth Street	MO
POD	0010	03230	Caldwell	PO	14 North Main Street	MO
POD	0011	03232	Chanute	PO	102 North Lincoln Street	MO
POD	0012	03231	Cherryvale	PO	205 North Neosho Street	MO
POD	0013	03174	Clay Center	PO	806 Sixth Street	MO
POD	0014	03173	Coffeyville	PO	232 West Eighth Street	MO
POD	0015	03203	Columbus	PO	236 South Pennsylvania Street	MO
POD	0016	03204	Concordia	PO	622 Washington Street	MO
POD	0017	03205	Council Grove	PO	103 West Main Street	MO
POD	0018	03206	Dodge City	PO	700 Central Avenue	MO
POD	0019	03207	El Dorado	PO	129 East Central Avenue	MO
GSA	0074	00074	Emporia	PO-FB	627 Merchant Street	MO
POD	0021	03209	Eureka	PO	301 North Oak Street	MO
POD	0022	03210	Fort Scott	PO-CT	120 South National Avenue	MO
POD	0023	03211	Fredonia	PO	833 North Fifth Street	MO
POD	0025	03258	Girard	PO	Main Street	MO
POD	0026	03239	Goodland	PO	134 East Eleventh Street	MO
POD	0028	03241	Halstead	PO	319 Main Street	MO
POD	0027	03242	Hays	PO	Eighth and Fort Streets	MO

KANSAS (Continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0030	03243	Herington	PO	17 East Main Street	MO
POD	0031	03244	Hiawatha	PO	613 - 15 Utah St.	MO
POD	0032	03245	Hoisington	PO	121 East 2nd St.	MO
POD	0033	03021	Holton	PO	4th & Pennsylvania Aves.	MO
POD	0034	03020	Horton	PO	825 1st Ave. E.	MO
POD	0035	03019	Hutchinson	PO	128 East 1st St.	MO
POD	0037	03017	Iola	PO	120 West St.	MO
POD	0044	03014	Kingman	PO	425 North Main St.	MO
POD	0042	03013	Larned	PO	803 Broadway	MO
POD	0046	03009	Lindsborg	PO	125 East Lincoln St.	MO
POD	0047	03008	Lyons	PO	121 East Avenue N.	MO
POD	0048	03007	McPherson	PO	115 East Kansas Ave.	MO
POD	0050	03005	Marion	PO	423 East Main Street	MO
POD	0051	03004	Marysville	PO	109 S. 9th St.	MO
POD	0052	03003	Neodesha	PO	123 North 5th St.	MO
POD	0054	03117	Norton	PO	306 East Washington Street	MO
POD	0055	03385	Olathe	PO	126 South Cherry St.	MO
POD	0056	03116	Osage City	PO	6th & Main St.	MO
POD	0057	03115	Oswego	PO	819 4th St.	MO
POD	0059	03113	Paola	PO	9 East Wea Street	MO
POD	0060	03112	Parsons	PO	1700 Main St.	MO
POD	0061	03111	Pittsburg	PO	702 North Locust	MO
POD	0062	03110	Pratt	PO	202 East Third St.	MO
POD	0063	03109	Russell	PO	Wisconsin & Maple Streets	MO
POD	0064	03026	Sabetha	PO	122 South 9th St.	MO
POD	0065	03296	Salina	PO	211 West Iron Ave.	MO
POD	0083	00083	Scott City	FB-PO	211 Main St.	MO
GSA	0072	00072	Sedan	PO	206 West Main Street	MO
POD	0087	03136	Topeka	PO-CT	436 Kansas Avenue	MO
POD	0086	03396	Seneca	PO	607 Main Street	MO
POD	0088	03138	Topeka	PO	935 North Kansas Avenue	North Topeka Sta.
POD	0084	00084	Wellington	FB-PO	221 West Harvey	MO
POD	0070	00070	Wichita	PO-CT	401 North Market Street	MO

KENTUCKY

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	00293	Anchorage	Branch	10909 Park Road	Anchorage Br. Louisville
POD	0002	00294	Ashland	PO	1645 Winchester Ave.	MO
POD	0003	00295	Barbourville	PO	Liberty & Daniel Boone	MO
POD	0005	00297	Berea	PO	304 Chestnut St.	MO
POD	0007	00299	Cadiz	PO	Main & Scot Streets	MO
POD	0008	00300	Campbellsville	PO	321 E. Main Street	MO
POD	0009	00301	Carlisle	PO	Main & Sycamore Streets	MO
POD	0010	00302	Carrollton	PO	520 Highland Ave.	MO
POD	0011	00303	Catlettsburg	PO-CT	25th & Broadway	MO
POD	0012	00304	Central City	PO	201 W. Broad St.	MO
POD	0014	00306	Covington	PO-CT	700 Scott St.	MO
POD	0081	00081	Cumberland	PO-FB	Main & Whiteaker	MO
POD	0015	00307	Cynthiana	PO	100 S. Walnut St.	MO
POD	0018	00310	Falmouth	PO	Shelby & Chaple	MO
POD	0019	00311	Flemingsburg	PO	131 E. Water St.	MO
POD	0023	00314	Franklin	PO	300 N. Main St.	MO
POD	0025	00316	Georgetown	PO	Main & Mulberry	MO
POD	0027	00318	Greenville	PO	Court & E. Main Cross	MO
POD	0028	00319	Hardinsburg	PO	Main & 3rd Sts.	MO

KENTUCKY (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0029	00320	Harlan	PO	105 N. 1st St.	MO
POD	0030	00321	Harrodsburg	PO	Main & Lexington Sts.	MO
POD	0031	00322	Hazard	PO	Main & Campbell Sts.	MO
POD	0033	00324	Hickman	PO	202 Jackson St.	MO
POD	0034	00325	Hodgenville	PO	Walters & W. Main	MO
POD	0036	00327	Irvine	PO	Main & High Sts.	MO
POD	0037	00328	Jackson	PO-CT	377 Broadway	MO
POD	0038	00329	Jenkins	PO	Main St.	MO
POD	0039	00330	Lancaster	PO	115 Danville	MO
POD	0040	00331	Lawrenceburg	PO	Main & Woodford Sts.	MO
POD	0041	00332	Lebanon	PO	Main & Spaulding	MO
GSA	0042	00752	Lexington	PO-CT	Barr and Limestone Streets	MO
POD	0044	00334	Louisa	PO	Madison and Lock Ave.	MO
POD	0048	00335	Madisonville	PO	86 North Main Street	MO
POD	0049	00336	Marion	PO	Carlisle and College Streets	MO
POD	0050	00337	Mayfield	PO	Ninth and Broadway	MO
POD	0051	00338	Maysville	PO	131 East Third Street	MO
POD	0052	00339	Middlesboro	PO	201 North Twentieth Street	MO
POD	0053	00340	Morehead	PO	Main Street and Wilson Avenue	MO
POD	0054	00341	Morganfield	PO	231 West Main Street	MO
POD	0055	00342	Mount Sterling	PO	Main and Bank Streets	MO
POD	0056	00343	Murray	PO	201 South Fourth Street	MO
POD	0021	00312	Newport	PO	24 South Ft. Thomas Avenue	Ft. Thomas Br.
POD	0082	00082	Olive Hill	PO-FB	Highway 60	MO
POD	0059	00347	Paducah	PO-CH	501 Broadway	MO
POD	0060	00346	Paintsville	PO	Second & College Streets	MO
POD	0083	00083	Paris	PO-FB	291 West Eighth Street	MO
POD	0064	00350	Pineville	PO	111 South Walnut Street	MO
POD	0065	00351	Prestonburg	PO	Court and Third Streets	MO
POD	0066	00352	Princeton	PO	201 West Washington Street	MO
POD	0084	00084	Russell Springs	PO-FB	Main and Maple	MO
POD	0068	00354	Russellville	PO	Fourth and Winter Streets	MO
POD	0069	00355	Shelbyville	PO	701 Main Street	MO
POD	0071	00357	Springfield	PO	200 East Main Street	MO
POD	0073	00359	Whitesburg	PO	120 East Main Street	MO
POD	0074	00360	Williamsburg	PO	Sycamore and Third Streets	MO
POD	0075	00361	Williamstown	PO	Main and High Streets	MO
POD	0076	00362	Winchester	PO	Cleveland and Wall	MO

LOUISIANA

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	00528	Abbeville	PO	200 North State Street	MO
POD	0052	00052	Alexandria	PO	Fifth and Johnston Streets	Alexandria-Annex
POD	0002	00530	Alexandria	PO-CT	515 Murray Street	MO
POD	0003	00531	Arabi	PO	748 Mehle Avenue	MO
POD	0004	00529	Arcadia	PO	706 North Railroad	MO
POD	0005	00532	Bastrop	PO	201 North Washington Street	MO
POD	0067	01173	Baton Rouge	PO-FB	750 Florida Avenue	MO
POD	0007	00534	Bogalusa	PO	306 Avenue B	MO
POD	0008	00536	Bunkie	PO	Walnut and West Magnolia Streets	MO
POD	0076	00076	Crowley	PO-FB	120 East Third Street	MO
POD	0011	00539	De Ridder	PO	210 West First Street	MO
POD	0012	00540	Donaldsonville	PO	201 Iberville Street	MO
POD	0013	00541	Eunice	PO	250 West Laurel	MO
POD	0014	00542	Ferriday	PO	218 Louisiana Avenue	MO
POD	0015	00535	Franklin	PO	Willow Street at First Street	MO
POD	0016	00072	Gretna	PO	Fourth and Huey P. Long	MO

LOUISIANA (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0074	00074	Gueydan	PO-FB	406 Main Street	MO
POD	0017	03543	Hammond	PO	Thomas Street & N. W. Railroad	MO
POD	0018	03544	Haynesville	PO	201 South First East	MO
POD	0019	03545	Homer	PO	612 North Main Street	MO
POD	0021	03547	Jeanerette	PO	1514 Main	MO
POD	0022	03548	Jennings	PO	118 West Plaquemine Street	MO
GSA	0056	00056	Lafayette	PO-CT-FB	Jefferson and East Main Streets	MO
GSA	0057	00057	Lake Charles	PO-CT-FB	Moss Pujo & Kirby Streets	MO
POD	0024	03551	Lake Providence	PO	302 Sparrow Street	MO
POD	0025	03552	Leesville	PO	303 South Third Street	MO
POD	0077	00077	Mamou	PO-FB	500 Main Street	MO
POD	0026	03553	Mansfield	PO	Jefferson and Texas Streets	MO
POD	0078	00078	Mansura	PO-FB	L. Egise Street	MO
POD	0027	03554	Many	PO	570 San Antonio Avenue	MO
GSA	0061	00061	Minden	PO-FB	Monroe and Pearl Streets	MO
POD	0030	03557	Morgan City	PO	First and Everett Streets	Downtown Sta.
POD	0031	03558	Natchitoches	PO	240 St. Denis Street	MO
GSA	0060	00060	New Orleans	PO-FB	701 Loyola Avenue	MO
POD	0036	03560	Oakdale	PO	240 East Sixth Avenue	MO
POD	0079	00079	Oberlin	PO	Sixth Ave. & Seventh Street	MO
POD	0038	03562	Pineville	PO	801 Main Street	MO
POD	0040	03564	Rayville	PO	101 South Benedette Street	MO
POD	0042	03566	Saint Martinville	PO	South Main & East Port Street	MO
POD	0044	03568	Tallulah	PO	612 Snyder Street	MO
POD	0080	00080	Thibodaux	PO-FB	910 Canal Blvd.	MO
POD	0046	03570	Ville Platte	PO	230 West Main Street	MO
POD	0047	03571	Vivian	PO	203 West Louisiana Street	MO
POD	0048	03573	Winnfield	PO	South Beville and East Court	MO
POD	0049	03574	Winnsboro	PO	513 Prairie Street	MO

MAINE

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	00902	Auburn	PO	39 Turner St.	MO
POD	0004	00904	Bar Harbor	PO	55 Cottage St.	MO
POD	0005	00905	Bath	PO-CU	25 Front St.	MO
POD	0006	00906	Belfast	PO-CU	Post Office Square	MO
POD	0008	00908	Brunswick	PO	30 Pleasant St.	MO
POD	0071	00071	Calais	PO-FB	50-52 North St.	MO
POD	0012	01108	Camden	PO	Chestnut St.	MO
POD	0013	00910	Caribou	PO	75 Sweden St.	MO
POD	0014	00911	Castine	PO-CU	Main St.	MO
POD	0015	00912	Dexter	PO	2 Old Spring St.	MO
POD	0016	00913	Dover-Foxcroft	PO	North and Summer Streets	MO
POD	0017	00914	Eastport	PO-CU	2 Washington St.	MO
POD	0019	00916	Fairfield	PO	Main Street	MO
POD	0020	00917	Farmington	PO	Main Street	MO
POD	0021	00918	Fort Fairfield	PO-CU	206 Main St.	MO
POD	0022	00919	Fort Kent	PO	37 West Main St.	MO
POD	0023	00920	Gardiner	PO	Water Street	MO
POD	0024	00921	Hallowell	PO	96 Second St.	MO
POD	0025	00922	Houlton	PO-CU	89 Court St.	MO
POD	0026	00923	Kennebunk	PO	4 Summer St.	MO
POD	0027	00924	Kennebunkport	PO	Temple St.	MO
POD	[illegible]	00925	Lewiston	PO-	49 Ash St.	MO
POD	0075	00075	Lubec	PO-BS	Washington St.	MO

MAINE (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0072	00072	Machia[illegible]	PO-FB	50 Court St.	MO
POD	0030	00927	Millinoc[illegible]	PO	113 Penobscot Ave.	MO
POD	0031	00928	Norway	PO	150 Main St.	MO
POD	0032	00929	Old Town	PO	146 Centre St.	MO
POD	0033	00930	Orono	PO	Forest Ave. and Bennoch Street	MO
POD	0036	00931	Portland	PO-FB	125 Forest Avenue	MO
POD	0039	00932	Presque Isle	PO	23 Second Ave.	MO
POD	0073	00073	Rockland	PO-FB	21 Limerock St.	MO
POD	0041	00934	Rumford	PO	137 Congress St.	MO
POD	0042	00935	Saco	PO	225 Main St.	MO
POD	0043	00936	Sanford	PO-FB	28 School St.	MO
POD	0044	00937	Skowhegan	PO	Water and North Streets	MO
POD	0038	01127	South Portland	Branch	15 Cottage Road	South Portland Br. Portland P.O.
POD	0046	00939	Waterville	PO	Main and Elm Streets	MO
POD	0047	00940	Westbrook	PO	19 Brackett St.	MO

MARYLAND

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	04015	Aberdeen	PO	30 West Bel Air Avenue	MO
POD	0002	04014	Annapolis	PO	Northwest Street & Church Circle	MO
POD	0012	04091	Baltimore	PO	St. Paul Street & Mt. Royal	Parcel Post Sta.
POD	0015	04016	Bel Air	PO	143 North Main Street	MO
POD	0016	03973	Bethesda	Branch	7400 Wisconsin Avenue	Bethesda Br. - D.C. P. O.
POD	0017	04017	Cambridge	PO	High and Church Streets	MO
POD	0005	03994	Catonsville	Branch	1001 Frederick Road	Catonsville Br. - Baltimore P. O.
POD	0061	01599	Centerville	PO	202 East Water Street	MO
POD	0018	04018	Chestertown	PO	Spring and Calvert Streets	MO
POD	0019	04019	Crisfield	PO	Northwest Main and Fourth Streets	MO
POD	0020	04020	Cumberland	PO	Pershing and South Mechanic Streets	MO
POD	0048	04078	Denton	PO	503 Market Street	MO
POD	0006	03995	Dundalk	Branch	Shipping St. & Center Place	Dundalk Br. - Baltimore P. O.
POD	0021	04021	Easton	FB	116 East Dover Street	MO
POD	0022	03965	Elkton	PO	137 West Main Street	MO
POD	0023	04022	Ellicott City	PO	161 Main Street	MO
POD	0024	04023	Frederick	PO	201 East Patrick Street	MO
POD	0025	03984	Frostburg	PO	37 West Main Street	MO
POD	0026	03960	Hagerstown	PO	44 West Franklin Street	MO
POD	0027	03981	Havre de Grace	PO	306 North Union Avenue	MO
POD	0028	04026	Hyattsville	PO	4325 Gallatin Street	MO
POD	0029	03962	Laurel	PO	324 Main Street	MO
POD	0052	00052	North East	PO-FB	404 South Main Street	MO
POD	0030	04031	Oakland	PO	22 South Second Street	MO
POD	0031	04030	Pocomoke City	PO	207 Market Street	MO
POD	0057	00057	Prince Frederick	FB-PO	First Street	MO
POD	0034	04028	Silver Spring	PO	8412 Georgia Avenue	MO
POD	0014	04027	Towson	Branch	Chesapeake and Washington Sts.	Towson Br. - Baltimore P.O.
POD	0042	03978	Upper Marlboro	PO	4030 Main Street	MO
POD	0043	03979	Westminster	PO	83 East Main Street	MO

MASSACHUSETTS

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	00943	Adams	PO	Commercial & Center Streets	MO
POD	0015	00954	Arlington	Branch	10 Court Street	Arlington Branch - Boston
POD	0002	00944	Amesbury	PO	100 Main St.	MO
POD	0003	00945	Amherst	PO	141 North Pleasant St.	MO
POD	0004	00946	Andover	PO	71 Main Street	MO
POD	0005	00947	Ashland	PO	205 Main St.	MO
POD	0007	01109	Attleboro	PO	75 Park St.	MO
POD	0008	00949	Ayer	PO	1 Columbia St.	MO
POD	0010	00951	Beverly	PO	161 Rantoul St.	MO
POD	0016	00955	Boston	Annex	390 Stuart St.	Back Bay Annex
POD	0021	00960	Boston	Station	50 Meridian St.	East Boston Sta.
POD	0030	00967	Boston	Annex	75 Dorchester Ave.	South Postal Annex
POD	0014	00953	Boston	VMF	135 A Street	VMF
POD	0037	00971	Brockton	PO	43 Crescent St.	MO
POD	0017	00956	Brookline	Branch	1295 Beacon St.	Brookline Br. - Boston
POD	0018	00957	Cambridge	Branch	780 Massachusetts Ave.	Cambridge A Br. - Boston
POD	0038	00972	Canton	PO	661 Washington St.	MO
POD	0019	00958	Chelsea	Branch	Hawthorne & Bellingham Sts.	Chelsea Br. - Boston
POD	0020	00959	Chestnut Hill	Branch	12 Middlesex Ave.	Chestnut Hill Br. - Boston
POD	0040	00973	Chicopee	PO	28 Main St.	MO
POD	0039	00974	Chicopee	Station	100 Center St.	Chicopee Center
POD	0041	00975	Clinton	PO	205 Union St.	MO
POD	0042	00976	Concord	PO	34 Walden St.	MO
POD	0043	00977	Danvers	PO	17 Conant St.	MO
POD	0044	00978	Dedham	PO	611 High St.	MO
POD	0045	00979	Easthampton	PO	19 Union St.	MO
POD	0046	00980	East Walpole	PO	31 Union St.	MO
POD	0022	00961	Everett	Branch	391 Broadway	Everett Br. - Boston
POD	0047	00981	Fairhaven	PO	13 William St.	MO
POD	0048	00982	Fall River	PO-CU	330 Pocasset St.	MO
POD	0049	00983	Falmouth	PO	120 Main St.	MO
POD	0050	00984	Fitchburg	PO	Wallace Ave. & Elm St.	MO
POD	0051	00985	Foxboro	PC	4 Cocasset St.	MO
POD	0052	00986	Framingham	Station	Franklin St.	So. Framingham
POD	0053	00987	Franklin	PO	Main St. & Dean Ave.	MO
POD	0054	00988	Gardner	PO	69 Pleasant St.	MO
POD	0055	00989	Gloucester	PO	15 Dale Ave.	MO
POD	0056	00990	Great Barrington	PO	222 Main St.	MO
POD	0057	00991	Greenfield	PO	442 Main St.	MO
POD	0058	00992	Haverhill	PO	2 Washington Square	MO
POD	0059	00993	Holyoke	PO	650 Dwight St.	MO
POD	0060	01110	Hyannis	PO	385 Main St.	MO
POD	0061	00996	Ipswich	PO	27 Market St.	MO
POD	0063	00998	Leominster	PO	68 Main St.	MO
POD	0023	00999	Lexington	Branch	1661 Massachusetts Ave.	Lexington Br. Boston
POD	0065	00065	Lynn	PO	51 Willow St.	MO
POD	0067	01002	Manchester	PO	15 Beach St.	MO
POD	0068	01003	Mansfield	PO	140 North Main St.	MO
POD	0069	01004	Marblehead	PO	61 Pleasant St.	MO
POD	0139	20219	Marlborough	PO-FB	20 Florence St.	MO
POD	0025	00963	Medford	Branch	20 Forest Ave.	Medford Br. - Boston
POD	0071	01006	Middleboro	PO	90 Center St.	MO

MASSACHUSETTS (Continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0140	00140	Milford	PO-FB	4 Congress St.	MO
POD	0073	01007	Millbury	PO	119 Elm St.	MO
POD	0026	00964	Milton	Branch	499 Adams St.	Milton Br. - Boston
POD	0074	01009	Nantucket	PO	5 Federal St.	MO
POD	0075	01010	Natick	PO	15 Common St.	MO
POD	0077	00077	New Bedford	PO	695 Pleasant St.	MO
POD	0078	01012	Newburyport	PO	61 Pleasant St.	MO
POD	0079	01013	North Adams	PO	69 Summer St.	MO
POD	0080	01014	Northampton	PO	Pleasant St.	MO
POD	0081	01016	North Attleboro	PO	30 South Washington St,	MO
POD	0082	01015	Norwood	PO	Central St.	MO
POD	0083	01017	Orange	PO	72 South Main St.	MO
POD	0084	01018	Palmer	PO	Park and Central Streets	MO
POD	0085	01019	Peabody	PO	22 Foster St.	MO
POD	0087	01021	Plymouth	PO	Main St.	MO
POD	0088	01022	Provincetown	PO	211 Commercial St.	MO
POD	0027	00965	Quincy	Branch	47 Washington St.	Quincy Br. - Boston
POD	0089	01023	Reading	PO	136 Haven St.	MO
POD	0029	01024	Revere	Branch	300 Broadway	Revere Br. - Boston
POD	0090	01025	Rockland	PO	39 Webster St.	MO
POD	0091	01026	Rockport	PO	39 Broadway.	MO
POD	0092	01027	Salem	PO	2 Margin St.	MO
POD	0066	01028	Saugus	Branch	437 Lincoln Ave.	Saugus Br. - Ly
POD	0028	00966	Somerville	Branch	237 Washington St.	Somerville Br. - Boston
POD	0093	01029	Southbridge	PO	235 Main St.	MO
POD	0094	01030	South Hadley	PO	1 Hadley St.	MO
POD	0141	01031	Springfield	PO	1883 Main St.	MO
POD	0031	01032	Stoneham	Branch	345 Main St.	Stoneham Br. - Boston
POD	0096	01033	Stoughton	PO	19 Park St.	MO
POD	0097	01034	Taunton	PO	37 Taunton Green	MO
POD	0098	01078	Turners Falls	PO	176 Avenue A	MO
POD	0099	01035	Wakefield	PO	321 Main St.	MO
POD	0100	01036	Walpole	PO	Common Street	MO
POD	0032	00968	Waltham	Branch	776 Main St.	Waltham Br. -
POD	0101	01037	Ware	PO	24 North Street	MO
POD	0102	01038	Wareham	PO	248 Main St.	MO
POD	0128	00103	Webster	PO-FB	Main St.	MO
POD	0104	01040	Westfield	PO	1 Broad St.	MO
POD	0105	01041	West Springfield	PO	74 Elm St.	MO
POD	0033	00969	Weymouth	Branch	103 Washington St.	Weymouth Br. - Boston
POD	0106	01042	Whitinsville	PO	58 Church St.	MO
POD	0107	01043	Whitman	PO	64 South Ave.	MO
POD	0108	01044	Williamstown	PO	63 Spring St.	MO
POD	0109	01045	Winchendon	PO	160 Central St.	MO
POD	0110	01046	Winchester	PO	48 Waterfield Road	MO
POD	0034	00970	Winthrop	Branch	240 Winthrop St.	Winthrop Br. - Boston
POD	0111	01048	Woburn	PO	1 Abbott Street	MO
POD	0035	01051	Wollaston	Branch	5 Beach St.	Wollaston Br. - Boston

MICHIGAN

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0002	00364	Albion	PO	Superior St. and Michigan	MO
POD	0003	00365	Allegan	PO	Towbridge and Chestnut	MO
POD	0004	00366	Alma	PO	233 North State Street	MO
POD	0006	00006	Ann Arbor	Station	220 North Main Street	Downtown Sta.
POD	0007	00369	Bad Axe	PO	Hanselman and Woodworth	MO
POD	0009	00371	Bay City	PO-CT	1000 Washington Avenue	MO
POD	0010	00372	Belding	PO	201 East Main Street	MO
POD	0012	00575	Big Rapids	PO	Maple and Warren	MO
POD	0013	00576	Birmingham	PO	West Martin and Bates Streets	MO
POD	0014	00577	Blissfield	PO	Lane and Union Streets	MO
POD	0015	00578	Boyne City	PO	Water and East Streets	MO
POD	0016	00579	Bronson	PO	Chicago Street	MO
POD	0017	00373	Buchanan	PO	Front Street	MO
POD	0018	00374	Cadillac	PO	Harris and Shelby Streets	MO
POD	0019	00375	Calumet	PO	201 Sixth Street	MO
POD	0020	00376	Caro	PO	West Lincoln and Sheridan	MO
POD	0021	00377	Charlotte	PO	Lovett Street and Bostwick	MO
POD	0322	00378	Cheboygan	PO	Main and Elm Streets	MO
POD	0023	00379	Chelsea	PO	2007 South Main Street	MO
POD	0024	00380	Clare	PO	111 West Fifth Street	MO
POD	0028	00382	Crystal Falls	PO	604 Superior Avenue	MO
POD	0030	00385	Detroit	Garage	1770 Fourteenth Street	MO - VMF
POD	0035	00389	Detroit	PO	10721 East Jefferson Avenue	Jefferson Sta.
POD	0042	00395	Dowagiac	PO	Commercial Street & Penn	MO
POD	0043	00396	East Detroit	PO	22430 Gratiot Avenue	MO
POD	0074	00397	East Lansing	PO	Abbott Road	Finance Station
POD	0044	00398	East Tawas	PO	Lincoln and Newman Streets	MO
POD	0045	00399	Eaton Rapids	PO	South Main St.	MO
POD	0046	00400	Escanaba	PO	518-520 Ludington Ave.	MO
POD	0047	00401	Ferndale	Branch	22681 Woodward Ave.	Ferndale Br Detroit
POD	0032	00386	Fenton	PO	200 East Caroline St.	MO
POD	0049	00403	Flint	PO	3311 N. Saginaw St.	N. Side Sta.
POD	0050	00404	Frankfort	PO	Main Street	MO
POD	0051	00405	Fremont	PO	Division & Sheridan Sts.	MO
POD	0052	00406	Gladstone	PO	Central & Delta Ave.	MO
POD	0127	00127	Grand Haven	PO-FB	Washington & Fourth Sts.	MO
POD	0054	00408	Grand Ledge	PO	East Jefferson St.	MO
POD	0056	00410	Grayling	PO	Michigan & Peninsular	MO
POD	0057	00411	Greenville	PO	Cass and Franklin Sts.	MO
POD	0033	00387	Hamtramck	Branch	2933 Hamtramck St.	Hamtramck Detroit
POD	0058	00412	Hancock	PO	215-217 Quincy St.	MO
POD	0059	00413	Hart	PO	State & Lincoln Sts.	MO
POD	0034	00388	Highland Park	Branch	13215 Woodward Ave.	Highland Par Detroit
POD	0061	00415	Hillsdale	PO	Hillsdale & North Sts.	MO
POD	0062	00416	Holland	PO	Tenth & River Sts.	MO
POD	0063	00417	Houghton	PO	701-703 Sheldon St.	MO
POD	0064	00418	Howell	PO	127 S. Walnut St.	MO
POD	0065	00419	Hudson	PO	Main & Howard Sts.	MO
POD	0066	00420	Ionia	PO	Kidd & Washington Sts.	MO
POD	0067	00421	Iron Mountain	PO	401-107 Ludington St.	MO
POD	0068	00422	Iron River	PO	425 W. Genessee St.	MO
POD	0069	00423	Ironwood	PO	Ayer, Powell & Suffolk Sts.	MO
POD	0070	00424	Ishpeming	PO	Second & Bank Sts.	MO

MICHIGAN (continued)

Govt. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0071	00425	Jackson	PO	Ostego Ave. & Liberty Street	MO
POD	0073	00073	Lansing	PO-FB	315 W. Allegan Street	MO
POD	0075	00428	Lapeer	PO	Franklin Avenue and Monroe	MO
POD	0125	00125	Lawton	PO-FOB	Main and Fourth Street	MO
POD	0037	00390	Lincoln Park	PO	1275 Southfield Road	MO
POD	0076	00429	Lowell	PO	Broadway and Chatham	MO
POD	0077	00430	Ludington	PO	East Ludington & Harrison	MO
POD	0126	00126	Mancelona	PO-FB	Hinman and Williams Streets	MO
POD	0079	00432	Manistique	PO	Cedar and Oak Streets	MO
POD	0080	00433	Marquette	PO-CT	300 West Washington Street	MO
POD	0081	00434	Marshall	PO	Michigan and Madison	MO
POD	0082	00435	Mason	PO	Ash and Park St.	MO
POD	0088	00441	Munising	PO	220 Elm Avenue	MO
POD	0089	00442	Muskegon	PO	Market Avenue & First Street	MO
POD	0090	00443	Negaunee	PO	304 Case Street	MO
POD	0091	00444	Niles	PO	Fourth and Main	MO
POD	0093	00446	Paw Paw	PO	125 North Kalamazoo	MO
POD	0095	00448	Plymouth	PO	860 Penniman Avenue	MO
POD	0040	00393	River Rouge	Branch	235 Burke Street	River Rouge Br. - Detroit P. O.
POD	0098	00451	Rochester	PO	134 West Fourth Street	MO
POD	0099	00452	Rockford	PO	87 Courtland Street	MO
POD	0100	00453	Rogers City	PO	Third and Michigan Ave.	MO
POD	0101	00454	Royal Oak	PO	203 West Second Street	MO
POD	0104	00457	St. Johns	PO	110 W. State Street	MO
POD	0105	00458	St. Joseph	PO	306 Main Street	MO
POD	0106	00459	Sandusky	PO	55 S. Morse St.	MO
POD	0108	00833	South Haven	PO	Broadway & Huron St.	MO
POD	0103	00456	St. Clair	PO	202 Trumbull St.	MO
POD	0109	00461	Sturgis	PO	124 E. Chicago Rd.	MO
POD	0110	00462	Three Rivers	PO	101 N. Main St.	MO
POD	0111	00463	Traverse City	PO	202 S. Union St.	MO
POD	0112	00464	Wayne	PO	3716 Newberry St.	MO
POD	0115	00467	Zeeland	PO	155 E. Main St.	MO
POD	0001	03159	Ada	PO	114 Fourth Avenue, West	MO
POD	0002	03160	Albert Lea	PO	141 South Newton Street	MO
POD	0003	03162	Alexandria	PO	625 Broadway	MO
POD	0004	03161	Anoka	PO	300 East Main Street	MO
GSA	0077	00077	Brainerd	PO-FB	5th and Laurel Streets	MO
POD	0008	03166	Breckenridge	PO	226-230 5th Street, North	MO
POD	0009	03167	Caledonia	PO	123 E. Grove Street	MO
POD	0010	03168	Cambridge	PO	209 South Main	MO
POD	0011	03169	Chisholm	PO	16 N. W. Third Avenue	MO
POD	0012	03170	Cloquet	PO	316 Cloquet Avenue	MO
POD	0013	03171	Crookston	PO	202 South Broadway	MO
POD	0016	03140	East Grand Forks	PO	116 South Third Street	MO
POD	0017	03141	Ely	PO	24 South Second Avenue, East	MO
POD	0018	03142	Eveleth	PO	423 Jones Street	MO
POD	0019	03143	Fairmont	PO	117 South North Avenue	MO
POD	0020	03144	Faribault	PO	28 Northeast Third Street	MO
POD	0021	03145	Fergus Falls	PO -CT	118 South Mill Street	MO
POD	0022	03393	Grand Rapids	PO	205 First Avenue, N.W.	MO
POD	0023	03146	Hastings	PO	300 East Second Street	MO
POD	0024	03147	Hibbing	PO	1902 Third Avenue, East	MO
POD	0026	03149	Hutchinson	PO	245 Main Street, South	MO
POD	0027	03150	International Falls	PO	400 Fourth Street	MO
POD	0028	03151	Lake City	PO	111 South High Street	MO
POD	0029	03152	Litchfield	PO	35 East Second Street	MO
POD	0030	03153	Little Falls	PO	97 East Broadway	MO
POD	0031	03154	Long Prairie	PO	204 Central Avenue	MO
POD	0032	03277	Mankato	PO-CT	401 South Second Street	MO
POD	0033	03155	Marshall	PO	202 West Lyon Street	MO

MINNESOTA

Oper. Agcy.	[illegible]	[illegible]	City	Type Bldg.	Street Address	[illegible]
POD	[illegible]	[illegible]	Minneapolis	PO	First St. & Marquette Ave.	[illegible]
POD	[illegible]	[illegible]	Montevideo	PO	[illegible] North First Street	[illegible]
GSA	[illegible]	[illegible]	Moorhead	PO-FB	[illegible] South Fifth Street	[illegible]
POD	[illegible]	[illegible]	Morris	PO	[illegible] East Sixth Street	[illegible]
POD	[illegible]	[illegible]	New Ulm	PO	[illegible] North Broadway	[illegible]
POD	[illegible]	[illegible]	North Field	PO	[illegible] Bridge Square	[illegible]
POD	[illegible]	[illegible]	North St. Paul	Branch	[illegible] Seventh Avenue, North	No. St. Paul Br. - St. Paul P. O.
POD	[illegible]	[illegible]	Park Rapids	PO	[illegible] South Park Avenue	[illegible]
POD	[illegible]	[illegible]	Pipestone	PO	[illegible] North Hiawatha Avenue	[illegible]
POD	[illegible]	[illegible]	Red Wing	PO	[illegible] Broadway Street	[illegible]
POD	[illegible]	[illegible]	St. James	PO	[illegible] Armstrong Blvd. South	[illegible]
POD	[illegible]	[illegible]	St. Paul	PO-CT	[illegible] East Kellogg Blvd.	[illegible]
POD	[illegible]	[illegible]	St. Peter	PO	[illegible] South Third Street	[illegible]
POD	[illegible]	[illegible]	Sauk Centre	PO	[illegible] Main Street	[illegible]
POD	[illegible]	[illegible]	South St. Paul	PO	[illegible] North Concord Street	[illegible]
POD	[illegible]	[illegible]	Spring Valley	PO	[illegible] North Broadway	[illegible]
POD	[illegible]	[illegible]	Thief River Falls	PO	[illegible] North LaBree Ave.	[illegible]
POD	[illegible]	[illegible]	Virginia	PO	[illegible] First Street	[illegible]
POD	[illegible]	[illegible]	Wabasha	PO	[illegible] Main Street, East	[illegible]
POD	[illegible]	[illegible]	Wadena	PO	[illegible] Bryant Avenue, S. E.	[illegible]
POD	[illegible]	[illegible]	Waseca	PO	[illegible] Second Street, N.E.	[illegible]
POD	[illegible]	[illegible]	Wayzata	PO	[illegible] South Minnetonka Avenue	[illegible]
POD	[illegible]	[illegible]	White Bear Lake	Branch	[illegible] Third Street	White Bear Lake - St. Paul P. O.
POD	[illegible]	[illegible]	Windom	PO	[illegible] Third Avenue	[illegible]
POD	[illegible]	[illegible]	Worthington	PO	[illegible] Third Avenue	[illegible]

MISSISSIPPI

Oper. Agcy.	[illegible]	[illegible]	City	Type Bldg.	Street Address	[illegible]
POD	[illegible]	[illegible]	Aberdeen	PO-CT	[illegible] West Commerce	[illegible]
POD	[illegible]	[illegible]	Amory	PO	Third Street & First Avenue	[illegible]
POD	[illegible]	[illegible]	Batesville	PO	[illegible] Public Square	[illegible]
POD	[illegible]	[illegible]	Bay St. Louis	PO	[illegible] Main Street	[illegible]
POD	[illegible]	[illegible]	Belzoni	PO	[illegible] Church Street	[illegible]
GSA	[illegible]	[illegible]	Biloxi	PO-FB	Main and Jackson Streets	[illegible]
POD	[illegible]	[illegible]	Booneville	PO	Main and Church Streets	[illegible]
POD	[illegible]	[illegible]	Brookhaven	PO	[illegible] West Cherokee Street	[illegible]
POD	[illegible]	[illegible]	Canton	PO	[illegible] North Union Street	[illegible]
POD	[illegible]	[illegible]	Carthage	PO-CT	[illegible] South Pearl Street	[illegible]
POD	[illegible]	[illegible]	Charleston	PO	[illegible] North Square	[illegible]
POD	[illegible]	[illegible]	Cleveland	PO	[illegible] South Sharpe Avenue	[illegible]
POD	[illegible]	[illegible]	[illegible]	PO-CT	[illegible] and [illegible]	[illegible]
POD	[illegible]	[illegible]	Columbia	PO	[illegible] Main Street	[illegible]
POD	[illegible]	[illegible]	Columbus	PO	[illegible] Main Street	[illegible]
POD	[illegible]	[illegible]	Corinth	PO	[illegible] Fillmore Street	[illegible]
POD	[illegible]	[illegible]	Crystal Springs	PO	[illegible] Marion Street	[illegible]
POD	[illegible]	[illegible]	Durant	PO	[illegible] North Jackson	[illegible]
POD	[illegible]	[illegible]	Eupora	PO	[illegible] Street and [illegible] Avenue	[illegible]
POD	[illegible]	[illegible]	Forest	PO	[illegible] East Second Street	[illegible]
POD	[illegible]	[illegible]	Grenada	PO	[illegible] Main Street	[illegible]
POD	[illegible]	[illegible]	Gulfport	PO-CT	[illegible] Thirteenth Street	[illegible]
POD	[illegible]	[illegible]	Hattiesburg	PO	[illegible] West Pine Street	[illegible]
POD	[illegible]	[illegible]	Hazlehurst	PO	[illegible] North [illegible] Street	[illegible]
POD	[illegible]	[illegible]	Hollysprings	PO	[illegible] and College	[illegible]

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MISSOURI (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0034	03307	Higginsville	PO	2001 Main Street	MO
POD	0122	00035	Independence	PO-FB	301 West Lexington Street	MO
POD	0036	03308	Jackson	PO	125 East Main Street	MO
POD	0037	03274	Jefferson City	PO-CT	131 West High Street	MO
POD	0042	00042	Kansas City	PO	315 West Pershing Street	MO
POD	0043	03177	Kennett	PO	201 North Main Street	MO
POD	0045	03179	Lamar	PO	131 West Eleventh Street	MO
POD	0046	03285	La Plata	PO	102 Sanders Street	MO
POD	0047	03095	Lebanon	PO	121 East Commercial Street	MO
POD	0051	03185	Louisiana	PO	522 Georgia Street	MO
POD	0053	03184	Maplewood	Branch	2800 Marshall Avenue	Maplewood [illegible] St. Louis [illegible]
POD	0054	03183	Marceline	PO	120 East Ritchie	MO
POD	0055	03182	Marshall	PO	205 North Lafayette	MO
GSA	0108	00108	Moberly	PO	121 Johnson Street	MO
POD	0059	03103	Monett	PO	300 Fourth Street	MO
GSA	0130	00130	Montgomery City	PO-FB	404 North Sturgeon	MO
POD	0060	03104	Mountain Grove	PO	111 South Union Street	MO
POD	0061	03105	Mount Vernon	PO	205 South Street	MO
POD	0062	03106	Neosho	PO	101 East Hickory Street	MO
POD	0064	03107	Palmyra	PO	323 South Main	MO
POD	0065	03108	Paris	PO	307 North Washington	MO
POD	0066	03086	Perryville	PO	23 West St. Marie Street	MO
POD	0067	03087	Pleasant Hill	PO	124 South Lake Street	MO
POD	0069	03100	Richmond	PO	209 South College Street	MO
POD	0080	03096	Ste. Genevieve	PO	135 Merchant Street	MO
POD	0072	00072	St. Joseph	PO-CT	201 South Eighth Street	MO
POD	0075	03098	St. Louis	PO	1720 Market Street	MO
POD	0076	03386	St. Louis	Garage	1725 Clark Avenue	MO Garage [illegible]
POD	0079	03066	St. Louis	PO	1409 Hamilton	Wellston Sta.
POD	0081	03067	Salem	PO	505 Jackson	MO
POD	0082	03065	Savannah	PO	507 West Main Street	MO
POD	0085	00085	Springfield	PO-CT	870 Boonville	MO
POD	0087	03061	Sullivan	PO	33 West Vine Street	MO
POD	0088	03060	Trenton	PO	Eleventh and Chestnut St.	MO
POD	0089	03059	Union	PO	315 East Main Street	MO
POD	0077	03068	University City	Branch	561 Kingsland Avenue	University Ci[illegible] St. Louis [illegible]
POD	0090	03093	Unionville	PO	1603 Grant Street	MO
POD	0091	03092	Vandalia	PO	401 South Main Street	MO
POD	0093	03090	Washington	PO	123 Lafayette Street	MO
POD	0094	03089	Webb City	PO	220 West Daugherty Street	MO
POD	0096	03035	Windsor	PO	107 North Main Street	MO

MONTANA

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	02900	Anaconda	PO	218 Main St.	MO
POD	0002	00002	Billings	PO-FB	2602 1st Ave. North	MO
POD	0005	02904	Deer Lodge	PO	Main St.	MO
POD	0006	02905	Dillon	PO	117 South Idaho St.	MO
POD	0007	02906	Glasgow	PO-CT	605 2nd Ave. South	MO
POD	0008	02907	Glendive	PO	221 N. Kendrick Ave.	MO
POD	0009	00009	Great Falls	PO-CT	215 1st Ave. North	MO
POD	0010	02909	Hamilton	PO	340 Main St.	MO
POD	0011	02910	Havre	PO-CT	306 3rd Ave.	MO
POD	0014	02912	Lewistown	PO	204 3rd Ave. North	MO
POD	0015	02913	Livingston	PO	105 N. 2nd St.	MO

MONTANA (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0016	02914	Miles City	PO	106 N. 7th St.	MO
POD	0018	02915	Sidney	PO	123 W. Main St.	MO

NEBRASKA

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	03034	Albion	PO	210 West Church Street	MO
POD	0002	03254	Alliance	PO	401 Box Butte Avenue	MO
POD	0003	03085	Auburn	PO	1320 Courthouse Avenue	MO
POD	0004	03084	Aurora	PO	1106 L Street	MO
POD	0007	03081	Broken Bow	PO	741 South D Street	MO
POD	0008	03388	Central City	PO	1512 16th Street	MO
POD	0009	03080	Chadron	PO	278 Main Street	MO
POD	0011	03078	Crawford	PO	144 Main Street	MO
POD	0012	03077	Crete	PO	1242 Linden Street	MO
POD	0013	03076	David City	PO	411 Fourth Street	MO
POD	0014	03075	Fairbury	PO	Fifth and D Streets	MO
POD	0015	03074	Falls City	PO	1520 Harlan Street	MO
POD	0017	03072	Geneva	PO	212 North Ninth Street	MO
POD	0062	00062	Gothenburg	PO-FB	1021 Lake Avenue	MO
POD	0020	03002	Hebron	PO	145 North Fifth Street	MO
POD	0021	03001	Holdredge	PO	420 East Avenue	MO
POD	0022	03000	Kearney	PO	2401 Central Avenue	MO
POD	0023	03038	Lexington	PO	203 East Sixth Street	MO
POD	0060	65160	Lincoln	PO	700 R Street	MO
POD	0025	03025	McCook	PO	401 Norris Avenue	MO
POD	0026	03024	Minden	PO	410 North Minden Avenue	MO
POD	0027	03023	Nebraska City	PO	202 South Eighth Street	MO
POD	0030	03196	Ogallala	PO	301 North Spruce Street	MO
POD	0031	03195	Omaha	PO	6223 Maple Street	Benson Sta.
GSA	0034	00034	Omaha	PO	4730 South 24th Street	South Omaha Sta.
POD	0036	03194	O'Neill	PO	201 North Fourth Street	MO
POD	0037	03193	Ord	PO	1630 L Street	MO
POD	0038	03192	Pawnee City	PO	Seventh and G Streets	MO
POD	0040	03190	Red Cloud	PO	310 N. Webster	MO
POD	0041	03189	Schuyler	PO	119 E. 11th St.	MO
POD	0042	03188	Scottsbluff	PO	2nd Ave. -16th St.	MO
POD	0043	03187	Seward	PO	507 Main St.	MO
POD	0044	03033	Sidney	PO	844 Illinois St.	MO
POD	0045	03032	Superior	PO	214 E 4th St.	MO
POD	0046	03031	Tecumseh	PO	484 Broadway St.	MO
POD	0047	03400	Valentine	PO	348 N. Main St.	MO
POD	0048	03097	Wahoo	PO	134 E. 6th Street	MO
POD	0049	03030	Wayne	PO	120 Pearl St.	MO
POD	0050	03029	York	PO	626 Grant Ave.	MO

NEVADA

Oper. Agcy	GSA Inst. No.	POD Inst. No.	City	Type Bldg	Street Address	Postal Unit
POD	0002	01406	Elko	PO	275 3rd St.	MO
POD	0003	01407	Ely	PO	5th & Clark Streets	MO

NEVADA (continued)

Oper. Agcy	GSA Inst. No.	POD Inst. No.	City	Type Bldg	Street Address	Postal Unit
POD	0004	01408	Fallon	PO	90 N. MainSt.	MO
POD	0006	01410	Lovelock	PO	390 Main St.	MO
POD	0007	01411	Reno	PO	50 S. Virginia St.	MO
POD	0008	01412	Tonopah	PO	Main & BryanStreets	MO
POD	0009	01413	Winnemucca	PO	Melarky & W. 4th Streets	MO
POD	0010	01414	Yerington	PO	28 N. Main St.	MO

NEW HAMPSHIRE

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0034	00034	Berlin	PO-FB	Mt. Forest Street	MO
POD	0002	01053	Claremont	PO	140 Broad St.	MO
POD	0004	01055	Derry	PO	48 East Broadway	MO
POD	0005	01056	Dover	PO	133 Washington St.	MO
GSA	0027	00027	Durham	PO-FB	2 Madbury Road	MO
POD	0006	01058	Exeter	PO	34-36 Front St.	MO
POD	0007	01059	Franklin	PO	65 Franklin St.	MO
POD	0008	01060	Hanover	PO	50 South Main St.	MO
POD	0009	01061	Keene	PO	34 West St.	MO
POD	0011	01062	Laconia	PO	Church St.	MO
POD	0012	01063	Lancaster	PO	120 Main St.	MO
POD	0013	01064	Lebanon	PO	11 East Park St.	MO
POD	0014	01065	Littleton	PO	165 Main St.	MO
POD	0015	00015	Manchester	PO	120 Hanover St.	MO
POD	0016	01067	Meredith	PO	Main St.	MO
POD	0017	01068	Milford	PO	Mt. Vernon St.	MO
POD	0035	00035	Newmarket	PO	126 Main St.	MO
POD	0019	01070	Newport	PO	25 Park St.	MO
POD	0020	01071	Peterborough	PO	23 Grove St.	MO
POD	0021	01072	Plymouth	PO	1 Post Office Square	MO
POD	0023	01074	Rochester	PO	Main and Bridge Streets	MO
POD	0024	01075	Somersworth	PO	Elm Street	MO
POD	0025	01076	Wolfeboro	PO	South Main St. & Railroad Ave.	MO
POD	0026	01077	Woodsville	PO-FB	31 Court St.	MO

NEW JERSEY

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0002	01944	Asbury Park	PO	801 Main St.	MO
POD	0003	01945	Atlantic City	PO	1701 Pacific St.	MO
POD	0103	00103	Avenel	PO-FB	1065 Rahway Ave.	MO
POD	0005	01946	Bayonne	PO	26th St. and Broadway	MO
POD	0006	01947	Belmar	PO	1300 F Street	MO
POD	0007	01948	Bergenfield	PO	Main St. at Station Square	MO
POD	0008	01949	Bloomfield	PO	Municipal Plaza	MO
POD	0009	01950	Boonton	PO	120 William St.	MO
POD	0010	01951	Bordentown	PO	14 Walnut Street	MO
POD	0011	01952	Bound Brook	PO	24 Mountain Ave.	MO
POD	0112	00112	Burlington	PO-FB	427 High Street	MO
POD	0014	01955	Caldwell	PO	10 Park Avenue	MO
POD	0016	01956	Cape May	PO	Washington and Franklin	MO
POD	0017	01958	Cliffside Park	PO	Palisade & Edgewater Road	MO
POD	0018	01959	Clifton	PO	1232 Main Avenue	MO

NEW JERSEY (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0019	01960	Cranford	PO	5 Miln Street	MO
POD	0020	01961	Dover	PO	22 North Sussex St.	MO
POD	0021	01962	East Orange	PO	26 City Hall Plaza	MO
POD	0022	01963	Edgewater	PO	33 Hilliard Ave.	MO
POD	0023	01964	Elizabeth	PO	310 North Broad St.	MO
POD	0024	01965	Englewood	PO	77 Engle Street	MO
POD	0025	01966	Flemington	PO	15 Main Street	MO
POD	0026	01967	Fort Lee	PO	229 Main Street	MO
POD	0027	01968	Freehold	PO	50 East Main St.	MO
POD	0028	01969	Garfield	PO	250 Palisade Ave.	MO
POD	0029	01971	Glen Ridge	PO	235 Ridgewood Ave.	MO
POD	0030	01972	Gloucester City	PO	113 South Broadway	MO
POD	0031	01973	Hackensack	PO	226 State Street	MO
POD	0032	01974	Hackettstown	PO	120 Grand Avenue	MO
POD	0033	02068	Haddonfield	PO	25 South Haddon Avenue	MO
POD	0034	01975	Haddon Heights	PO	701 Station Avenue	MO
POD	0035	01976	Hammonton	PO	Third and Peach Streets	MO'
POD	0036	01977	Harrison	PO	427 Harrison Avenue	MO
POD	0038	01979	Hightstown	PO	135 South Main Street	MO
POD	0039	01981	Hoboken	PO	89 River Street	MO
POD	0040	01982	Jersey City	PO	69 Montgomery Street	MO
POD	0041	01943	Kearny	PO	88 Midland Avenue	MO
POD	0042	01983	Lakewood	PO	19 Clifton Avenue	MO
POD	0043	01984	Linden	PO	400 North Wood Avenue	MO
POD	0044	01985	Little Falls	PO	Warren Street & Center Avenue	MO
POD	0045	01986	Long Branch	PO	60 Third Avenue	MO
POD	0046	01987	Madison	PO	10 Lincoln Place	MO
POD	0047	01988	Matawan	PO	157 Main Street	MO
POD	0048	01989	Metuchen	PO	360 Main Street	MO
POD	0049	01990	Millburn	PO	300 Millburn Street	MO
POD	0050	01991	Millville	PO	Mulberry and High Streets	MO
POD	0052	01993	Moorestown	PO	200 Chester Avenue	MO
POD	0053	01994	Morristown	PO	Morris Street & Dumont Place	MO
POD	0054	01995	Mount Holly	PO	28 Washington Street	MO
GSA	0055	00055	Newark	PO-CT	Federal Square	MO
POD	0057	01998	New Brunswick	PO	86 Bayard Street	MO
POD	0059	02000	North Bergen	PO	4606 Tonnelle Avenue	MO
POD	0060	01996	Nutley	Branch	372 Franklin Avenue	Nutley Br. - Newark P. O.
POD	0061	02001	Ocean City	PO	859 Ocean Avenue	MO
POD	0062	02002	Orange	PO	388 Main Street	MO
POD	0063	02003	Passaic	PO	46 Grove Street	MO
POD	0064	02004	Paterson	PO	194 Ward Street	MO
POD	0037	01978	Paterson	PO	226 Diamond Bridge Ave.	Hawthorne Br.
POD	0065	02005	Paulsboro	PO	1015 Delaware Street	MO
POD	0066	02006	Penns Grove	PO	58 West Main St.	MO
POD	0067	02007	Perth Amboy	PO	206 Jefferson Street	MO
POD	0068	02008	Phillipsburg	PO	Memorial Parkway	MO
POD	0069	02009	Pitman	PO	North Broadway	MO
POD	0070	02010	Plainfield	PO	201 Watchung Ave.	MO
POD	0071	02011	Pleasantville	PO	Verona and Chestnut Streets	MO
POD	0100	10359	Point Pleasant Beach	PO	410 Arnold Avenue	MO
POD	0072	02012	Pompton Lakes	PO	47 Lakeside Avenue	MO
POD	0073	02013	Princeton	PO	C Street and Palmer Square	MO
POD	0076	02016	Ridgefield Park	PO	185 Main Street	MO
POD	0077	02017	Ridgewood	PO	143 East Ridgewood Ave.	MO
POD	0078	02018	Riverside	PO	4 Scott Street	MO
POD	0079	02019	Riverton	PO	613 Main Street	MO
POD	0080	02020	Rutherford	PO	Park and W. Passaic Ave.	MO
POD	0081	02021	Salem	PO	5th and Broadway	MO

NEW JERSEY (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0082	02022	Short Hills	PO	30 Chatham Road	MO
POD	0083	02023	Somerville	PO	39 Division St.	MO
POD	0084	02024	South Orange	PO	301 Vose Avenue	MO
POD	0085	02025	South River	PO	44 Obert St.	MO
POD	0086	02026	Summit	PO	61 Maple St.	MO
POD	0090	02029	Union City	PO	30th St. & Palisade Ave.	MO
POD	0091	02030	Vineland	PO	736 Landis Ave.	MO
POD	0092	02031	Washington	PO	36 Belvidere Ave.	MO
POD	0093	02032	Westfield	PO	153 Central Ave.	MO
POD	0094	02033	West New York	PO	5413 Bergenline Ave.	MO
POD	0095	02034	Westwood	PO	216 Westwood Ave.	MO
POD	0036	02035	Wildwood	PO	3311 Atlantic Ave.	MO
POD	0097	02036	Woodbury	PO	35 N. Broad Street	MO

NEW MEXICO

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0036	00006	Clovis	FB-PO	405 Gidding St.	MO
POD	0007	01474	Deming	FB-PO	201 West Spruce	MO
POD	0010	01477	Las Cruces	PO-CT	135 East Griggs St.	MO
POD	0033	15023	Los Alamos	PO	1808 Central	MO
POD	0012	01479	Portales	PO	116 West 1st	MO
POD	0034	00037	Raton	FB-PO	Third St. and Park Ave.	MO
POD	0018	01481	Silver City	PO	402 West Broadway	MO
POD	0019	01476	Truth or Consequences	PO	400 Main St.	MO

NEW YORK

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	02037	Akron	PO	Main & Church Sts.	MO
POD	0004	02038	Albion	PO	Main St.	MO
POD	0035	02039	Amsterdam	PO	12 Church St.	MO
POD	0006	02040	Angola	PO	Main & Center Sts.	MO
POD	0007	02041	Attica	PO	76 Main St.	MO
POD	0008	02042	Auburn	PO-CT	153 Genesee St.	MO
POD	0009	02043	Baldwinsville	PO	1 Charlotte St.	MO
POD	0010	02044	Ballston Spa	PO	1 Front St.	MO
POD	0011	02045	Batavia	PO	2 W. Main St.	MO
POD	0012	02046	Bath	PO	101 Liberty St.	MO
POD	0013	02047	Bay Shore	PO	10 Bay Shore Ave.	Penataquit Sta.
POD	0014	02048	Beacon	PO	369 Main St.	MO
POD	0017	02050	Booneville	PO	101 Main St.	MO
POD	0018	02051	Brockport	PO	14 Main St.	MO
POD	0148	01536	Bronx	PO	2024 Jerome Ave.	Morris Heights [illegible]
POD	0149	01535	Bronx	PO	442 E. 167th St.	Morrisania Sta.
POD	0136	01723	Bronx	PO	1132 Southern Blvd.	Boulevard Sta.
POD	0137	01724	Bronx	PO	558 Grand Concourse	MO
POD	0150	01537	Bronx	PO	517 E. 139th St.	Mott Haven Sta.
POD	0153	01540	Bronx	PO	4165 White Plains Rd.	Wakefield Sta.
POD	0155	01543	Bronx	PO	362 Devoe Ave.	West Farms Sta.
POD	0019	02052	Brooklyn	PO	2273 Church Ave.	Flatbush Sta.
POD	0020	02053	Brooklyn	PO	421 McDonald Ave.	Kensington Sta.
POD	0234	02116	Brooklyn	PO	271 Washington St.	MO

NEW YORK (cont'd)

Govt. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0021	02054	Brooklyn	PO	47 Debevoise St.	Metropolitan Sta.
POD	0022	02055	Brooklyn	PO	6618 20th Ave.	Parkville Sta.
POD	0233	01733	Bronxville	Branch	Pondfield Road	Bronxville Br. - Yonkers P. O.
POD	0029	02057	Canajoharie	PO	West Main St.	MO
POD	0030	02058	Canandaigua	PO-CT	Main St. & Atwater Pl.	MO
POD	0031	02059	Canostota	PO	S. Peterboro St.	MO
POD	0032	02060	Canton	PO	Park & Main Sts.	MO
POD	0033	02061	Carthage	PO	State & North James Sts.	MO
POD	0034	02062	Catskill	PO	Livingston & Main Sts.	MO
POD	0036	02063	Clyde	PO	South Park St.	MO
POD	0037	02064	Cobleskill	PO	Union & N. Main St.	MO
POD	0038	02065	Cohoes	PO	101 Mohawk St.	MO
POD	0039	02066	Cooperstown	PO	Main St.	MO
POD	0040	02067	Corning	PO	129 Walnut St.	MO
POD	0041	01630	Cortland	PO	88 Main St.	MO
POD	0042	01632	Dansville	PO	Main St. & Exchange Pl.	MO
POD	0043	01633	Delhi	PO	Court St.	MO
POD	0044	01634	Delmar	PO	Delaware Ave. & Grove St.	MO
POD	0045	01635	Depew	PO	Warsaw St.	MO
POD	0046	01636	Dobbs Ferry	PO	Main & Oak Sts.	MO
POD	0047	01637	Dolgeville	PO	S. Main St.	MO
POD	0048	01638	Dunkirk	PO	410 Central Ave.	MO
POD	0049	01639	East Rochester	PO	Commercial & Fairfield Sts.	MO
POD	0050	01641	Ellenville	PO	Liberty & Bogardus Sts.	MO
POD	0051	01642	Elmira	PO	State & Church Sts.	MO
POD	0052	01643	Endicott	PO	200 Washington St.	MO
POD	0053	01644	Fairport	PO	S. Main & Church Sts.	MO
POD	0054	01645	Far Rockaway	PO	1836 Mott Ave.	MO
POD	0057	01648	Flushing	PO	Queens Blvd. 70th St.	Forest Hills Sta.
POD	0058	01649	Flushing	PO	7802 37th Ave.	Jackson Heights Sta.
POD	0056	01647	Flushing	PO	Sanford Ave. & Main St.	MO
POD	0060	01650	Fort Edward	PO	Broadway	MO
POD	0061	01651	Fort Plain	PO	River St. & Park Lane	MO
POD	0062	01652	Frankfort	PO	130 E. Main St.	MO
POD	0063	01653	Fredonia	PO	21 Day St.	MO
POD	0064	01654	Freeport	PO	Merrick Rd. & Ocean Ave.	MO
POD	0065	01655	Fulton	PO	1st St. & Broadway	MO
POD	0066	01656	Garden City	P	Franklin Ave. & 6th St.	MO
POD	0067	01657	Geneva	P	Castle & Livingston Sts.	MO
POD	0068	01658	Glen Cove	PO	Glen Cove Ave. & Bridge	MO
POD	0069	01659	Glens Falls	PO	Warrent & Jay Sts.	MO
POD	0070	01660	Gloversville	PO	N. Main St.	MO
POD	0071	01661	Goshen	PO	Grand St.	MO
POD	0072	01662	Gouverneur	PO	Grove & Dodge Sts.	MO
POD	0073	01663	Gowanda	PO	W. Main St.	MO
POD	0074	01664	Granville	PO	41 Main St.	MO
POD	0075	01665	Great Neck	PO	Welwyn & Shorewood Roads	MO
POD	0076	01667	Hamburg	PO	56 Main St.	MO
POD	0077	01668	Hamilton	PO	W. Broad St.	MO
POD	0078	01669	Harrison	PO	Halstead and Harrison Aves	MO
POD	0079	01670	Haverstraw	PO	Main St.	MO
POD	0080	01671	Hempstead	PO	Fulton Ave. & High Sts.	MO
POD	0081	01672	Herkimer	PO	Park Ave. & Prospect Sts.	MO
POD	0082	01673	Homer	PO	Main & James Sts.	MO
POD	0083	01674	Honeoye Falls	PO	W. Main St.	MO
POD	0084	01675	Hooskick Falls	PO	Main St.	MO
POD	0086	01677	Horseheads	PO	Broad & Main Sts.	MO
POD	0087	01678	Hudson	PO	401 Union St.	MO
POD	0088	01679	Hudson Falls	PO	114 Main St.	MO
POD	0090	01681	Hyde Park	PO	3 E. Market St.	MO

NEW YORK (cont'd)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0091	01682	Ilion	PO	1st & Morgan Sts.	MO
POD	0092	01683	Ithaca	PO	E. Buffalo & No. Tioga Sts.	MO
POD	0093	02196	Jamaica	PO	164th St. & 89th Ave.	MO
POD	0094	01684	Jamaica	PO	8634 Forest Pkwy.	Woodhaven Sta.
GSA	0243	00243	Jamestown	PO-FB	East Third Street & Pendergast Ave.	MO
POD	0096	01686	Johnson City	FB	307 Main St.	MO
POD	0097	01687	Johnstown	FB	14 No. William St.	MO
POD	0276	00276	Keeseville	PO-FB	7 Main St.	MO
POD	0099	01689	Lake George	PO	Canada St.	MO
POD	0100	01690	Lake Placid	PO	201 Main St.	MO
POD	0101	01691	Lancaster	PO	5406 Broadway	MO
POD	0102	01692	Larchmont	PO	1 Chatsworth Ave.	MO
POD	0103	01693	Leroy	PO	2 Main St.	MO
POD	0104	01694	Liberty	PO	14 Chestnut St.	MO
POD	0105	01695	Little Falls	PO	25 W. Main St.	MO
POD	0106	01696	Little Valley	PO	119 Main St.	MO
POD	0107	01697	Lockport	PO	1 East Ave.	MO
POD	0108	01698	Long Beach	PO	99 E. Park Ave.	MO
POD	0109	01699	Long Island City	PO	4602 21st St.	MO
POD	0110	01700	Lowville	PO	State St.	MO
POD	0111	01702	Lyons	PO	Pearl & William Sts.	MO
POD	0112	01703	Malone	PO	Main & Washington Sts.	MO
POD	0113	01704	Mamaroneck	PO	309 Mt. Pleasant Ave.	MO
POD	0114	01705	Massena	PO	100 Main St.	MO
POD	0115	01706	Mechanicville	PO	S. Main St.	MO
POD	0116	01707	Medina	PO	W. Center St. & West Ave.	MO
POD	0117	01708	Middleburg	PO	Main St.	MO
POD	0118	01709	Middleport	PO	42 Main St.	MO
POD	0120	01711	Mineola	PO	First & Main Sts.	MO
POD	0121	01713	Monticello	PO	N. W. Cor. Broadway & Liberty Sts.	MO
POD	0122	01715	Moravia	PO	S. Main & Church Sts.	MO
POD	0123	01716	Mt. Kisco	PO	120 East Main St.	MO
POD	0124	01717	Mt. Vernon	PO	15 S. First Ave.	MO
POD	0125	01718	Newark	PO	300 S. Main St.	MO
POD	0126	01719	Newburgh	PO	215-217 Liberty St.	MO
POD	0127	01720	New Rochelle	PO	North Ave. & Hugenot St.	MO
POD	0143	01530	New York	PO	90 Vermilyea Ave.	Inwood Sta.
POD	0135	01722	New York	PO	515 W. 165th St.	Audubon Sta.
POD	0138	01725	New York	PO	350 Canal St.	Canal St. Sta.
POD	0139	01726	New York	PO	215 W. 104th St.	Cathedral Sta.
POD	0133	00131	New York	FOB	90 Church St.	Church St. Sta.
POD	0140	01727	New York	PO	217 W. 140th St.	College Sta.
POD	0141	01728	New York	PO	93 Fourth Ave.	Cooper Sta.
POD	0142	01729	New York	PO	110 E. 45th St.	Grand Central Sta.
POD	0144	01531	New York	PO	128 East Broadway	Knickerbocker Sta.
POD	0145	01532	New York	PO	221 East 70th St.	Lenox Hill Sta.
POD	0146	01533	New York	PO	149-153 East 23rd St.	Madison Square Sta.
POD	0134	01721	New York	PO	33rd St. & 8th Ave.	MO
POD	0147	01534	New York	PO	341 Ninth Ave.	Morgan Sta.
POD	0151	01538	New York	PO	217-19 West 18th St.	Old Chelsea Sta.
POD	0253	15349	New York	PO	48th St. & Northern Blvd.	Postal Concen. Ctr.
POD	0152	01539	New York	PO	127-135 West 83rd St.	Planetarium Sta.
POD	0160	01544	Niagara Falls	PO	Main and Walnut Ave.	MO
POD	0161	01545	Northport	PO	244 Main Street	MO
POD	0162	01546	North Tonawanda	PO	Oliver and Goundry Streets	MO
POD	0163	01547	Norwich	PO	20-22 East Main St.	MO
POD	0164	01548	Nyack	PO	48 South Broadway	MO
POD	0166	01549	Ogdensburg	PO-CT	431 State Street	MO
POD	0167	01550	Olean	PO	102 South Union St.	MO
POD	0168	01551	Oneida	PO	133 Farrier Avenue	MO
POD	0170	01553	Orchard Park	PO	4305 South Buffalo St.	MO

NEW YORK (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0171	01554	Ossining	PO	80 South Highland Avenue	MO
POD	0172	01555	Oswego	PO	West Oneida St.	MO
POD	0173	01556	Owego	PO	Lake Street	MO
POD	0174	01557	Oxford	PO	State and Washington Avenues	MO
POD	0175	01558	Oyster Bay	PO	Shore Avenue	MO
POD	0176	01559	Painted Post	PO	135 North Hamilton St.	MO
POD	0177	01561	Patchogue	PO	170 East Main St.	MO
POD	0178	01562	Pearl River	PO	Franklin Ave. & South Main St.	MO
POD	0179	01563	Peekskill	PO	735 South Street	MO
POD	0180	01564	Penn Yan	PO	159 Main Street	MO
POD	0182	01567	Port Chester	PO	245 Westchester Avenue	MO
POD	0183	01568	Port Jervis	PO	29 Sussex St.	MO
POD	0184	01569	Port Washington	PO	1061 Port Washington Blvd.	MO
POD	0185	01570	Potsdam	PO	21 Elm Street	MO
POD	0186	01571	Poughkeepsie	PO	55 Mansion St.	MO
POD	0187	01572	Rensselaer	PO	201 Broadway	MO
POD	0188	01573	Rhinebeck	PO	14 Mill Street	MO
POD	0189	01574	Richfield Springs	PO	12 East Main Street	MO
POD	0190	01575	Riverhead	PO	25 West Second Street	MO
POD	0191	01576	Rochester	PO	216 Cumberland St.	MO
POD	0193	01577	Rochester	PO	216 Cumberland St.	VMF
POD	0194	01578	Rockville Center	PO	250 Merrick Road	MO
POD	0195	01579	Rome	PO	200 Church Street	MO
POD	0196	01580	Rye	PO	41 Purdy Avenue	MO
POD	0199	01581	St. Johnsville	PO	East Main Street	MO
POD	0200	01582	Salamanca	PO	Chestnut Street	MO
POD	0201	01583	Saranac Lake	PO	60 Broadway	MO
POD	0202	01584	Saratoga Springs	PO	475 Broadway	MO
POD	0203	01585	Saugerties	PO	Main and Livingston Streets	MO
POD	0204	01586	Scarsdale	PO	Chase Road	MO
POD	0205	01587	Schenectady	PO	29 Jay Street	MO
POD	0206	01588	Scotia	PO	Mohawk Avenue	Scotia Br. - Schenectady P.O.
POD	0207	01589	Seneca Falls	PO	38 State Street	MO
POD	0208	01590	Silver Creek	PO	Main Street	MO
POD	0209	01592	Spring Valley	PO	7 North Madison St.	MO
POD	0210	01593	Springville	PO	76 Franklin St.	MO
POD	0212	01595	Suffern	PO	15 Chestnut St.	MO
POD	0213	00213	Syracuse	PO-CT	Erie Blvd.	MO
POD	0214	01598	Ticonderoga	PO	Champlain Ave.	MO
POD	0215	01599	Tonawanda	PO	Seymour and Morgan Streets	MO
POD	0217	01600	Troy	PO	Broadway and 4th St.	MO
POD	0218	01602	Utica	PO-CT-CU	10 Broad St.	MO
POD	0219	01603	Walden	PO	Orange Avenue	MO
POD	0220	01604	Walton	PO	34-36 Gardiner Place	MO
POD	0221	01605	Wappinger Falls	PO	2 South Avenue	MO
POD	0222	01606	Warsaw	PO	35 South Main St.	MO
POD	0223	01607	Waterloo	PO	East Main & South Virginia Streets	MO
POD	0224	01608	Watertown	PO	185 Arsenal St.	MO
POD	0225	01610	Watkins Glen	PO	600 North Franklin Ave.	MO
POD	0226	01609	Waverly	PO	434-436 Waverly St.	MO
POD	0227	01611	Wellsville	PO	40 East Pearl St.	MO
POD	0228	01612	Westhampton Beach	PO	Main Street and Beach Road	MO
POD	0230	01730	Whitehall	PO	88 Broadway	MO
POD	0231	01731	White Plains	PO	145 Grand Street	MO
POD	0232	01732	Yonkers	PO	79-81 Main Street	MO

NORTH CAROLINA

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	02413	Ahoskie	PO	Main and Mitchell Streets	MO
POD	0096	00096	Andrews	PO-FB	First and Chestnut Streets	MO
POD	0006	02410	Beaufort	PO	701 Front Street	MO
POD	0008	02408	Boone	PO	103 West King Street	MO
POD	0009	02407	Brevard	PO	Broad and Morgan Streets	MO
POD	0011	02405	Canton	PO	32 Park Street	MO
POD	0097	00097	Cary	PO-FB	206 South Academy Street	MO
POD	0012	02404	Chapel Hill	PO	179 East Franklin Street	Franklin St. Sta.
POD	0013	00013	Charlotte	PO-CT	401 W. Trade Street	MO
POD	0014	02414	Clinton	PO	107 West Main Street	MO
POD	0016	02423	Dunn	PO	West Broad and South Lucknow Streets	MO
POD	0017	02422	Durham	PO-CT	323 East Chapel Hill Street	MO
POD	0036	02436	Eden	PO	110-112 Monroe Street	MO
POD	0019	02421	Edenton	PO	100 North Broad Street	MO
POD	0021	02419	Elkin	PO	213 West Main Street	MO
POD	0098	00098	Fayetteville	PO-CT-FB	301 Green Street	MO
POD	0023	02417	Forest City	PO	218 West Main Street	MO
POD	0024	02416	Franklin	PO	36 East Main Street	MO
POD	0025	02433	Gastonia	PO	301 West Main Avenue	MO
POD	0027	02431	Graham	PO	128 West Harden Street	MO
POD	0030	02420	Hamlet	PO	105 Main Street	MO
GSA	0033	00033	Hickory	PO	231 Main Avenue Place, S. W.	MO
POD	0034	02442	High Point	PO	100 East Green Drive	MO
POD	0099	00099	Jacksonville	PO-FB	719 New Bridge Street	MO
POD	0035	02443	Kings Mountain	PO	100 East Mountain Street	MO
POD	0037	02435	Laurinburg	PO	Atkinson and Fairly Streets	MO
POD	0039	02437	Lenoir	PO	200 West Avenue	MO
POD	0041	02439	Lincolnton	PO	326 East Main Street	MO
POD	0042	02440	Louisburg	PO	125 North Main Street	MO
POD	0043	02448	Lumberton	PO	610 North Elm Street	MO
POD	0044	02449	Madison	PO	Murphy and Franklin Streets	MO
POD	0101	00101	Mars Hill	PO-FB	115 South Main Street	MO
POD	0046	02451	Mebane	PO	116 West Center Street	MO
POD	0047	02452	Monroe	PO	North Main & West Corwell Streets	MO
POD	0048	02453	Mooresville	PO	305 North Main Street	MO
POD	0049	02434	Morehead City	PO	706-708 Arendell Street	MO
POD	0050	02447	Morganton	PO	216 North Sterling Street	MO
POD	0051	02446	Mount Airy	PO	111 South Main Street	MO
POD	0052	02445	Mount Olive	PO	West James & North Chestnut Sts.	MO
POD	0053	02444	New Bern	PO-CT-CU	413-415 Middle Street	MO
POD	0054	02462	Newton	PO	10 South Main Avenue	MO
POD	0110	02464	Oxford	PO-FB	144-146 Main Street	MO
POD	0057	02465	Pinehurst	PO	Cherokee Road	MO
POD	0102	00102	Raeford	PO-FB	122 Elwood Avenue	MO
POD	0059	02467	Red Springs	PO	230 South Main Street	MO
POD	0060	02468	Reidsville	PO	230 West Morehead Street	MO
POD	0103	00103	Rich Square	PO-FB	West Jackson Street	MO
POD	0062	02470	Rockingham	PO-CT	125 South Hancock Street	MO
POD	0066	02454	Salisbury	PO-CT	132 West Innis Street	MO
POD	0069	02458	Siler City	PO	116 East Raleigh Street	MO
POD	0071	02460	Southern Pines	PO	190 S.W. Broad Street	MO
POD	0072	02490	Statesville	PO-CT	200 West Broad Street	MO
POD	0073	02491	Tarboro	PO	Main and St. John Streets	MO
GSA	0083	00109	Thomasville	PO-FB	101 West Main Street	MO
POD	0075	02493	Wadesboro	PO	105-111 East Martin Street	MO
POD	0076	02474	Wake Forest	PO	301 South White Street	MO
POD	0077	02475	Wallace	PO	122 East Main Street	MO
POD	0078	02476	Warrenton	PO	143 North Main Street	MO
POD	0079	02477	Washington	PO	102 East Second Street	MO
POD	0104	00104	Waynesville	PO-FB	205 South Haywood Street	MO
POD	0081	02479	Weldon	PO	Washington Avenue and 4th Street	MO

NORTH CAROLINA (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0082	02480	Whiteville	PO	205 South Madison Street	MO
POD	0084	02482	Williamston	PO	121 East Main Street	MO
POD	0086	02489	Wilmington	PO	152 North Front Street	MO
POD	0087	02488	Wilson	PO-CT	224 East Nash Street	MO
POD	0105	00106	Windsor	PO-FB	130 North King Street	MO
POD	0088	00088	Winston Salem	PO-CT	West Fifth & Trade Streets	MO

NORTH DAKOTA

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0003	03379	Carrington	PO	87 Ninth Avenue, North	MO
POD	0004	03027	Devils Lake	PO-CT	502 Fourth Street	MO
POD	0005	03380	Dickinson	PO	15 First Street, East	MO
POD	0007	03381	Grafton	PO	506 Griggs Avenue	MO
POD	0009	02999	Hettinger	PO	Lake and Adams Avenue	MO
POD	0010	03382	Jamestown	PO-CT	222 First Avenue, South	MO
POD	0011	03094	Langdon	PO	323 Eighth Avenue	MO
POD	0012	03122	Lisbon	PO	17 Fourth Avenue, West	MO
POD	0015	03121	New Rockford	PO	827 First Avenue, North	MO
POD	0017	03120	Oakes	PO	611 Main Avenue	MO
POD	0020	03119	Rugby	PO	205 Southeast Second	MO
POD	0023	03039	Valley City	PO	149 N.E. Third Street	MO
POD	0024	03361	Wahpeton	PO	602 Dakota Avenue	MO

OHIO

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	00468	Ada	PO	South Main and West Lincoln	MO
POD	0002	00002	Akron	PO	168 East Market Street	MO
POD	0003	00470	Alliance	PO	36 South Arch Avenue	MO
POD	0004	00471	Amherst	PO	255 Park Avenue	MO
POD	0008	00485	Barberton	PO	531 Wooster Road, West	MO
POD	0009	00486	Barnesville	PO	116 East Church Street	MO
POD	0010	00487	Bedford	Branch	600 Broadway	Bedford Br. - Cleveland P.O.
POD	0013	00490	Bellevue	PO	140 Sandusky Street	MO
POD	0014	00491	Berea	PO	24 Seminary Street	MO
POD	0015	00492	Bluffton	PO	132 South Main Street	MO
POD	0016	00493	Bowling Green	PO	305 North Main Street	MO
POD	0017	00494	Bridgeport	PO	Lincoln Avenue and Howard Street	MO
POD	0018	00495	Bryan	PO	142 North Main Street	MO
POD	0019	00496	Bucyrus	PO	301 South Poplar Street	MO
POD	0020	00497	Caldwell	PO	Spruce and West Streets	MO
POD	0021	00498	Cambridge	PO	954 Wheeling Avenue	MO
POD	0022	00499	Campbell	PO	57 Robinson Road	MO
POD	0204	00204	Canton	PO	2650 Cleveland Avenue	MO
POD	0024	00501	Celina	PO	201 North Main Street	MO
POD	0025	00502	Chagrin Falls	PO	34 North Washington Street	MO
POD	0026	00503	Chardon	PO	121 South Street at Randall Court	MO
POD	0029	00505	Cincinnati	PO	Liberty and Dalton Streets	MO-Bldg. A
POD	0031	00506	Circleville	PO	224 South Court Street	MO
POD	0032	00507	Cleveland	PO	301 West Prospect Avenue	MO

OHIO (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0034	00508	Cleveland	PO	6600 Lorain Avenue	Station A
POD	0035	00509	Cleveland	PO	4160 Pearl Road	Pearlbrook Sta.
POD	0039	00510	Cleveland	PO	8745 Broadway Avenue	Newburg Sta.
POD	0037	00511	Cleveland	PO	630 East 105th Street	Station B
POD	0040	00514	Cleveland	PO	1950 East 101st Street	Univ. Center Sta.
POD	0041	00515	Cleveland	PO	12101 Lorain Avenue	West Park Sta.
POD	0043	00516	Clyde	PO	121 West Buckeye Street	MO
POD	0044	00517	Coldwater	PO	101 East Main Street	MO
POD	0046	00518	Conneaut	PO	N.W. Corner Broad & State Streets	MO
POD	0050	00520	Crestline	PO	244 North Seltzer Street	MO
POD	0051	00521	Crooksville	PO	Main and Star Streets	MO
POD	0052	00522	Cuyahoga Falls	PO	2004 Second Street	MO
POD	0196	00196	Dayton	PO	111 E. Fifth Street	MO
POD	0054	00524	Defiance	PO	Second and Wayne Streets	MO
POD	0056	00526	Delphos	PO	Main and Second Streets	MO
POD	0057	00527	Dennison	PO	115 North Third Street	MO
POD	0058	00528	Dover	PO	220 West Third Street	MO
POD	0038	00519	East Cleveland	Branch	13030 Euclid Avenue	East Cleveland Br., Cleveland P.O.
POD	0060	00530	East Palestine	PO	209 North Market Street	MO
POD	0061	00531	Eaton	PO	West Main Street	MO
POD	0062	00532	Elyria	PO	201 Broad Street	MO
POD	0063	00569	Fairborn	PO	1 East Main Street	MO
POD	0064	00533	Findlay	PO	229 West Main Cross Street	MO
POD	0065	00534	Fostoria	PO	202 West Center Street	MO
POD	0066	00535	Franklin	PO	345 South Main Street	MO
POD	0067	00536	Fremont	PO	416 West State Street	MO
POD	0068	00537	Galion	PO	133 North Columbus Street	MO
POD	0069	00538	Gallipolis	PO	440 Second Avenue	MO
POD	0070	00539	Gambier	PO	Chase and Scott Avenue	MO
POD	0071	00540	Geneva	PO	86 South Broadway	MO
POD	0072	00541	Georgetown	PO	201 East Grant Avenue	MO
POD	0073	00542	Girard	PO	19 North Market Street	MO
POD	0074	00543	Granville	PO	203 East Broadway	MO
POD	0075	00544	Greenfield	PO	233 Jefferson Street	MO
POD	0076	00545	Greenville	PO	101 East Main Street	MO
POD	0077	00546	Hamilton	PO	Front and Court Streets	MO
POD	0201	00201	Hillsboro	PO-FB	201 North High Street	MO
POD	0079	00547	Hubbard	PO	44 East Liberty Street	MO
POD	0080	00549	Jackson	PO	Main and Columbia	MO
POD	0081	00550	Kent	PO	Walter Street & West Erie	MO
POD	0082	00551	Kenton	PO	201-205 West Franklin Street	MO
POD	0036	00512	Lakewood	Branch	1435 Warren Road	Lakewood Br. - Cleveland P.O.
POD	0083	00552	Lancaster	PO	296 South Broad Street	MO
POD	0084	00553	Lebanon	PO	121 South Broadway Street	MO
POD	0085	00554	Leetonia	PO	223 Main Street	MO
POD	0086	00473	Lima	PO	260 West High Street	MO
POD	0087	00474	Logan	PO	60 North Market Street	MO
POD	0088	00475	London	PO	Oak and Second Streets	MO
POD	0089	00476	Lorain	PO	303 Broadway	MO
POD	0090	00477	Loudonville	PO	126 South Water Street	MO
POD	0091	00478	Louisville	PO	206 East Main Street	MO
POD	0099	00479	McConnelsville	PO	63 South Kennebec Avenue	MO
POD	0092	00480	Mansfield	PO	53 West Fourth Street	MO
POD	0197	00197	Mantua	PO-FB	10742 North Main Street	MO
POD	0093	00481	Marietta	PO	275 Front Street	MO
POD	0094	00482	Marion	PO	103 East Church Street	MO
POD	0095	00555	Martins Ferry	PO	101 North Fifth Street	MO
POD	0096	00556	Marysville	PO	202 North Main Street	MO

OHIO (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0099	00556	Maumee	PO	415 Conant Street	MO
POD	0101	00561	Miamisburg	PO	219 East Central Avenue	MO
POD	0102	00563	Middleport	PO	North Fourth and Mill Streets	MO
POD	0104	00564	Millersburg	PO	South Washington Street	MO
POD	0106	00565	Minerva	PO	112 West High Street	MO
POD	0108	00566	Montpelier	PO	209 Empire Street	MO
POD	0107	00567	Mount Gilead	PO	27 West High Street	MO
POD	0108	00568	Mount Vernon	PO	101 West High Street	MO
POD	0109	00569	Napoleon	PO	204 Washington Street	MO
POD	0110	00570	Nelsonville	PO	110 West Washington Street	MO
POD	0112	00572	Newcomerstown	PO	133 West Canal Street	MO
POD	0113	00580	New Concord	PO	37 -41 West Main Street	MO
POD	0114	00581	New Lexington	PO	Brown and High Street	MO
POD	0115	00582	New London	PO	66 East Main Street	MO
POD	0116	00583	New Philadelphia	PO	210 North Broadway	MO
POD	0117	00584	Niles	PO	43 West Park Avenue	MO
POD	0118	00585	Norwalk	PO	16 - 22 Whittlesey Avenue	MO
POD	0119	00586	Oak Harbor	PO	126 Church Street	MO
POD	0120	00587	Oberlin	PO	68 South Main Street	MO
POD	0121	00588	Orrville	PO	145 North Vine Street	MO
POD	0122	00590	Ottawa	PO	636 East Main Street	MO
POD	0123	00591	Oxford	PO	118 West High Street	MO
POD	0124	00592	Painesville	PO	36 North Park Place	MO
POD	0125	00593	Paulding	PO	121 West Jackson Street	MO
POD	0126	00594	Perrysburg	PO	117 East Second Street	MO
POD	0127	00595	Piqua	PO	Wayne and High Streets	MO
POD	0128	00596	Pomeroy	PO	216 East Second Street	MO
POD	0129	00597	Port Clinton	PO	121 West Second Street	MO
POD	0130	00598	Portsmouth	PO	Sixth and Gay Streets	MPO & VMF
POD	0131	00599	Ravenna	PO	180 North Chestnut Street	MO
POD	0105	10210	Saint Marys	PO	Chestnut and High Streets	MO
POD	0133	00601	Sandusky	PO	Washington and Jackson Streets	MO
POD	0134	00602	Sebring	PO	196 West Ohio Avenue	MO
POD	0135	00603	Shelby	PO	26 - 30 North Gamble Street	MO
POD	0136	00604	Sidney	PO	121 North Ohio Avenue	MO
POD	0137	00605	Springfield	PO	150 North Limestone Street	MO
POD	0138	00606	Steubenville	PO- CT	Fourth and Washington Street	MO
POD	0139	00607	Struthers	PO	106 South Bridge Street	MO
POD	0140	00608	Sylvania	PO	5738 Main Street	MO
POD	0142	00610	Tipp City	PO	28 West Main Street	MO
POD	0146	00614	Troy	PO	300 South Market Street	MO
POD	0147	00615	Uhrichsville	PO	205 East Third Street	MO
POD	0148	00616	Upper Sandusky	PO	122 West Wyandot Avenue	MO
POD	0149	00617	Urbana	PO	South Main and West Market	MO
POD	0177	13017	Vandalia	PO	Lockbourne Place	MO
POD	0150	00618	Van Wert	PO	South Market and East Central	MO
POD	0151	00619	Wadsworth	PO	165 Broad Street	MO
POD	0152	00620	Wapakoneta	PO	13 Willipie Street	MO
POD	0153	00621	Warren	PO	201 High Street, N.E.	MO
POD	0154	00622	Washington CH	PO	129 West Market Street	MO
POD	0155	00623	Wauseon	PO	126 East Elm Street	MO
POD	0156	00624	Waverly	PO	125 East Second Street	MO
POD	0157	00625	Wellston	PO	101 East Broadway	MO
POD	0158	00626	Westerville	PO	20 South State Street	MO
POD	0159	00627	Willard	PO	210 Myrtle Avenue	MO
POD	0161	00629	Wilmington	PO	155 East Main Street	MO
POD	0162	00630	Woodsfield	PO	126 North Main Street	MO
POD	0164	00632	Worthington	Branch	697 High Street	Worthington Br. - Columbus P.O.
POD	0165	00633	Xenia	PO	100 East Main Street	MO
POD	0166	00634	Yellow Springs	PO	120 Corry Street	MO
POD	0167	00635	Youngstown	PO-CT	9 West Front Street	MO

OKLAHOMA

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	03575	Ada	PO-CT	121 East Twelfth Street	MO
POD	0080	00080	Afton	PO-FB	First and Walnut Streets	MO
POD	0003	03577	Alva	PO	Government Street	MO
POD	0004	03578	Anadarko	PO	First Street and Oklahoma Ave.	MO
POD	0007	03581	Blackwell	PO	203 West Blackwell Street	MO
POD	0008	03582	Bristow	PO	124 West Sixth Street	MO
POD	0009	03583	Chandler	PO	123 West Ninth Street	MO
POD	0012	03585	Clinton	PO	200 South Fifth Street	MO
POD	0013	03586	Coalgate	PO	22 North Main Street	MO
POD	0014	03587	Cordell	PO	121 East First Street	MO
POD	0015	03588	Cushing	PO	114 South Cleveland	MO
POD	0016	03590	Drumright	PO	118 North Ohio Avenue	MO
POD	0017	03594	Duncan	PO	802 Willow	MO
POD	0018	03595	Durant	PO-CT	224 West Evergreen	MO
POD	0019	03596	Edmond	PO	101 East First Street	MO
POD	0081	00081	Elk City	PO-FB	Broadway and Adams	MO
POD	0022	03598	Enid	PO-CT	115 West Broadway	MO
POD	0023	03599	Eufaula	PO	121 Foley	MO
POD	0024	03601	Frederick	PO	120 East Grand Avenue	MO
POD	0025	03602	Guthrie	PO-CT	200 West Oklahoma Avenue	MO
POD	0026	03605	Hobart	PO	222 South Main Street	MO
POD	0029	03603	Holdenville	PO	133 West Seventh Street	MO
POD	0030	03604	Hollis	PO	120 North Second Street	MO
POD	0032	03606	Idabel	PO	24 East Main	MO
POD	0033	03607	Kingfisher	PO	408 North Main Street	MO
POD	0035	03610	Madill	PO	222 West Lillie Boulevard	MO
POD	0036	03611	Mangum	PO-CT	Penn and Jefferson	MO
POD	0037	03612	Marietta	PO	110 West Main Street	MO
POD	0039	03613	Marlow	PO	320 West Main Street	MO
POD	0040	03614	Miami	PO-CT	First and A Streets	MO
POD	0073	11369	Newkirk	PO	Seventh and Main Streets	MO
POD	0044	03616	Nowata	PO	Pine and Cherokee Streets	MO
POD	0045	03617	Okemah	PO	410 West Broadway	MO
POD	0048	03618	Okmulgee	PO-CT	111 West Fourth Street	MO
POD	0049	03619	Pauls Valley	PO	120 West Paul Avenue	MO
POD	0050	03620	Pawhuska	PO	Sixth and Leahy Streets	MO
POD	0051	03621	Perry	PO	326 Seventh Street	MO
POD	0052	03622	Ponca City	PO-CT	402 East Grand Avenue	MO
POD	0053	03623	Poteau	PO	113 North Witte Street	MO
POD	0054	03624	Purcell	PO	220 West Main Street	MO
POD	0055	03625	Sapulpa	PO	Elm and Lee Streets	MO
POD	0056	03626	Sayre	PO	201 North Fourth Street	MO
POD	0057	03627	Seminole	PO	120 East Oak Street	MO
POD	0058	03628	Shawnee	PO	Bell and Ninth Streets	MO
POD	0059	03629	Stillwater	PO	718 South Husband Street	MO
POD	0060	03630	Stilwell	PO	16 South Second Street	MO
POD	0061	03631	Sulphur	PO	West Second and Vinita Streets	MO
POD	0062	03632	Tahlequah	PO	123 East Delaware Street	MO
POD	0078	00078	Tulsa	PO-CT	333 West Fourth Street	MO
POD	0064	03634	Vinita	PO-CT	120 East Illinois Street	MO
POD	0065	03635	Watonga	PO	119-121 North Noble Street	MO
POD	0066	03636	Waurika	PO	122 West Broadway	MO
POD	0067	03637	Weatherford	PO	Custer and Franklin Streets	MO
POD	0068	03638	Wewoka	PO	115 West Second Street	MO
GSA	0079	00079	Wilburton	PO-FB	205 E. Main Street	MO
POD	0070	03640	Yukon	PO	12 South Fifth Street	MO

OREGON

Oper. Agcy	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0002	02917	Astoria	PO-CH	750 Commercial St.	MO
POD	0004	02919	Bend	PO	754 Wall St.	MO
POD	0005	02920	Burns	PO	222 North Broadway	MO
POD	0006	02921	Coos Bay	PO	235 West Anderson St.	MO
POD	0007	02922	Corvallis	PO	311 South Second St.	MO
POD	0008	02923	Eugene	PO	520 Willamette St.	MO
POD	0009	02924	Grants Pass	PO	132 N. W. Sixth St.	MO
POD	0010	02925	Gresham	PO	103 S. E. Powell Blvd.	MO
POD	0011	02926	Hillsboro	PO	372 East Main St.	MO
POD	0012	02927	Hood River	PO	408 Cascade Ave.	MO
POD	0013	02928	Klamath Falls	PO	317 South Seventh St.	MO
POD	0015	02930	Lakeview	PO	18 South G St.	MO
POD	0016	02931	McMinnville	PO	434 North Evans St.	MO
POD	0037	00037	Medford	PO-FB	310 West 6th St.	MO
POD	0019	02932	Newberg	PO	401 East 1st St.	MO
POD	0020	02933	Ontario	PO	88 S. W. Second Ave.	MO
POD	0022	02935	Pendleton	PO-CT	104 S. W. Dorian Ave.	MO
POD	0027	02936	Portland	Station	1020 S. E. 7th Ave.	East Portland
POD	0028	02937	Portland	Station	8720 N. Ivanhoe St.	St. Johns Sta.
POD	0030	02939	Salem	PO	150 Church St., N. E.	MO
POD	0047	00047	Scappoose	PO	Highway 30 & Watts St.	MO
POD	0031	02940	The Dalles	PO	100 West Second St.	MO
POD	0032	02941	Tillamook	PO	210 Laurel Ave.	MO

PENNSYLVANIA

Oper. Agcy	GSA Inst. No.	POD Inst. No.	City	Type Bldg	Street Address	Postal Unit
POD	0001	01734	Aliquippa	PO	Franklin Ave.	MO
POD	0002	01735	Allentown	PO	442-456 Hamilton St.	MO
POD	0003	01736	Altoona	PO	1201 11th Ave.	MO
POD	0004	01737	Ambler	PO	122 E. Butler Ave.	MO
POD	0005	01738	Ambridge	PO	1020 Merchant St.	MO
POD	0006	01739	Ardmore	PO	30 Ardmore Ave.	MO
POD	0007	01740	Athens	PO	301 S. Main St.	MO
POD	0008	01741	Bala Cynwyd	PO	Montgomery Ave. - Conshhkn St.	MO MO
POD	0009	01742	Bangor	PO	221 S. First St.	MO
POD	0227	00227	Beaver	FB-PO	777 Corporation St.	MO
POD	0010	01743	Beaver Falls	PO	720 11th St.	MO
POD	0011	01744	Bedford	PO	E. Penn & So. Juliana Sts	MO
POD	0012	01745	Bellefonte	PO	132 N. Allegheny St.	MO
POD	0013	01746	Belle Vernon	PO	212 State St.	MO
POD	0245	00245	Berwick	FB-PO	330 Pine St.	MO
POD	0015	01748	Bethlehem	PO	4th & Broadhead Ave.	MO
POD	0016	01749	Blawnox	Branch	340 Freeport Rd.	Blawnox Br. - Pittsburgh
POD	0017	01750	Bloomsburg	PO	230 Market St.	MO
POD	0018	01751	Boyertown	PO	27 N. Reading Ave.	MO
POD	0021	01754	Bradford	PO	80 E. Corridon St.	MO
POD	0022	01755	Bridgeville	PO	700 Washington Ave.	MO
POD	0023	01756	Bristol	PO	Beaver & Prospect Sts	MO
POD	0246	00246	Brookville	FB-PO	Madison & White Sts.	MO
POD	0024	01757	Brownsville	PO	Charles & Seneca Sts.	MO
POD	0025	01758	Bryn Mawr	PO	16 N. Bryn Mawr Ave.	MO
POD	0026	01759	Burgettstown	PO	40 S. Main St.	MO

PENNSYLVANIA (continued)

Oper. Agcy	GSA Inst. No.	POD Inst. No.	City	Type Bldg	Street Address	Postal Unit
POD	0028	01761	California	PO	430 2nd St.	MO
POD	0029	01762	Canonsburg	PO	120 W. Pike St.	MO
POD	0030	01764	Carbondale	PO	N. Main St. & Lincoln Ave	MO
POD	0032	01766	Carnegie	PO	114 E. Main St.	MO
POD	0033	01767	Catasauqua	PO	2nd & Bridge Sts.	MO
POD	0035	01769	Charleroi	PO	638 Fallowfield Ave.	MO
POD	0036	01770	Chester	PO	5th St. & Edgmont Ave.	MO
POD	0037	01772	Clairton	PO	Clair Ave. & 5th St.	MO
POD	0038	01771	Clarion	PO	Main St.	MO
POD	0039	01773	Clarks Summit	PO	Colburn Ave. & State St.	MO
POD	0040	01774	Clearfield	PO	118 N. 2nd St.	MO
POD	0041	01775	Coatesville	PO	230 E. Chestnut St.	MO
POD	0042	01776	Columbia	PO	4th & Walnut St.	MO
POD	0043	01777	Connelsville	PO	115 N. Arch St.	MO
POD	0044	01778	Conshohocken	PO	5th Ave. & Fayette St.	MO
POD	0045	01779	Coraopolis	PO	1026 4th Ave.	MO
POD	0046	01780	Corry	PO	101 S. Center St.	MO
POD	0047	01781	Coudersport	PO	301 N. Main St.	MO
POD	0048	01782	Curwensville	PO	525 State St.	MO
POD	0247	00247	Dallas	FB-PO	Memorial Highway	MO
POD	0049	01783	Danville	PO	200 Mill St.	MO
POD	0050	01784	Darby	PO	Main & Ridge Ave.	MO
POD	0051	01785	Donora	PO	6th St. & Meldon Ave.	MO
POD	0052	01787	Doylestown	PO	88 S. Main St.	MO
POD	0053	01788	Drexel Hill	PO	Burmont Rd & Woodland	MO
POD	0248	00248	Duncannon	FB-PO	201 Market St.	MO
POD	0055	01790	Duquesne	PO	11 S. First St.	MO
POD	0056	01791	Easton	PO	2nd & Ferry St.	MO
POD	0057	01792	East Pittsburgh	PO	701 Linden Ave.	MO
POD	0059	01794	Ebensburg	PO	Center & Sample Sts	MO
POD	0060	01795	Elizabethtown	PO	135 South Market St.	MO
POD	0061	01796	Ellwood City	PO	7th St. & Crescent Ave.	MO
POD	0062	01798	Emporium	PO	11 West 4th St.	MO
POD	0063	01799	Ephrata	PO	129 E. Franklin St.	MO
POD	0065	01800	Erie	PO	Griswold Plaza	MO
POD	0066	01801	Everett	PO	17 East Main St.	MO
POD	0249	00249	Falls Creek	FB-PO	65 Main St.	MO
POD	0067	01802	Farrell	PO	700 Spearman Ave.	MO
POD	0068	01803	Ford City	PO	824 4th Ave.	MO
POD	0069	01804	Franklin	PO	1202 Elk St.	MO
POD	0070	01805	Freeland	PO	701 Main St.	MO
POD	0250	00250	Galeton	FB-PO	Bridge St.	MO
POD	0071	01806	Gettysburg	PO	Baltimore & High Sts.	MO
POD	0072	01807	Girard	PO	113 Main St.	MO
POD	0074	01810	Greenville	PO	55 Clinton St.	MO
POD	0075	01811	Grove City	PO	117 E. Pine St.	MO
POD	0076	01812	Hamburg	PO	50 N. Third St.	MO
POD	0079	01814	Haverford	PO	387 W. Lancaster Ave.	MO
POD	0251	00251	Hawley	FB-PO	100 Main St.	MO
POD	0081	01816	Hollidaysburg	PO	525 Allegheny St.	MO
POD	0082	01817	Homestead	PO	140 E. 9th St.	MO
POD	0083	01818	Honesdale	PO	830 Main St.	MO
POD	0084	01819	Huntingdon	PO	401 Washington St.	MO
POD	0085	01820	Indiana	PO	7th & Church Sts.	MO
POD	0252	00252	Irwin	FB-PO	First & Main Sts.	MO
POD	0087	01822	Jeannette	PO	S. Fifth St. & Bullitt Ave.	MO
POD	0088	01823	Jenkintown	PO	West Ave. & Cedar St.	MO
POD	0089	01849	Jim Thorpe	PO	Lehigh Ave.	MO
POD	0090	01830	Johnstown	FB-PO	111 Franklin St.	MO
POD	0092	01831	Kane	PO	131 Fraley St.	MO

PENNSYLVANIA (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0215	01626	Kingston	Branch	435 Wyoming Ave.	Kingston Br. - Wilkes-Barre
POD	0093	01832	Kittanning	PO	201 N. McKean St.	MO
POD	0094	01833	Kutztown	PO	125 W. Main St.	MO
POD	0095	01834	Lancaster	PO	48-50 West Chestnut St.	MO
POD	0096	01835	Lansdale	PO	S. Broad & Vine Sts.	MO
POD	0097	01837	Latrobe	PO	811 Jefferson St.	MO
POD	0242	00242	Lebanon	FB-PO	101 S. Eighth St.	MO
POD	0099	01839	Lehighton	PO	118 North St.	MO
POD	0100	01840	Lewisburg	PO	301 Market St.	MO
POD	0101	01841	Lewistown	PO	100 W. Market St.	MO
POD	0102	01842	Lititz	PO	74 E. Main St.	MO
POD	0103	01843	Lock Haven	PO	15 W. Main St.	MO
POD	0108	01844	McDonald	PO	110 Barr St.	MO
POD	0110	01846	McKees Rocks	PO	807 Chartiers Ave.	MO
POD	0104	01847	Mahanoy	PO	1pt & Pine Sts.	MO
POD	0105	01848	Manheim	PO	47 S. Main St.	MO
POD	0107	01624	Masontown	PO	11 E. Church St.	MO
POD	0111	01850	Meadville	PO	296 Chestnut St.	MO
POD	0112	01851	Mechanicsburg	PO	8 E. Main St.	MO
POD	0114	01853	Mercer	PO	N. Pitt & Venango Sts.	MO
POD	0115	01854	Mercersburg	PO	128 S. Main St.	MO
POD	0116	01855	Meyersdale	PO	Center & Main Sts.	MO
POD	0117	01856	Middletown	PO	26 S. Union St.	MO
POD	0118	01857	Midland	PO	831 Midland Ave.	MO
POD	0119	01858	Mifflinburg	PO	4th & Walnut Sts.	MO
POD	0120	01859	Millersburg	PO	225 Union St.	MO
POD	0121	01860	Milton	PO	29 N. Front St.	MO
POD	0123	01863	Monongahela	PO	4th & Chess Sts.	MO
POD	0254	00254	Montrose	FB-PO	4 Monument Square	MO
POD	0124	01864	Morrisville	PO	34 N. Pennsylvania Ave.	MO
POD	0125	01866	Mount Joy	PO	Main & Market Sts.	MO
POD	0126	01867	Mount Pleasant	PO	N. Church & Main Sts.	MO
POD	0127	01868	Mount Union	PO	Jefferson & Market Sts.	MO
POD	0128	01869	Muncy	PO	S. Main & High Sts.	MO
POD	0130	01871	Nazareth	PO	9 N. Main St.	MO
POD	0255	00255	New Bethlehem	FB-PO	451 Broad St.	MO
POD	0132	01873	New Castle	PO	Kennedy Square	MO
POD	0133	01874	New Kensington	PO	1100 5th Ave.	MO
POD	0134	01876	Norristown	PO	28 E. Airy St.	MO
POD	0135	01877	Northampton	PO	1701 Washington Ave.	MO
POD	0136	01878	North East	PO	31 W. Main St.	MO
POD	0137	01879	Northumberland	PO	75 Queen St.	MO
POD	0138	01880	Oakmont	PO	530 Allegheny River Blvd.	MO
POD	0140	01882	Olyphant	PO	134 Delaware Ave.	MO
POD	0141	01883	Palmyra	PO	60 S. Railroad St.	MO
POD	0147	01885	Philadelphia	PO	Market & Chestnut Sts.	MO
POD	0148	01890	Philadelphia	PO	19th & Poplar Sts.	Fairmount Sta.
POD	0149	01886	Philadelphia	PO	52nd & Whitby Ave.	Kingsessing Station
POD	0150	01888	Philadelphia	PO	16th & Huntingdon Sts	No. Phila. Annex
POD	0152	01887	Philadelphia	PO	10th & Dickinson Sts	Southwork Station
POD	0151	01889	Philadelphia	PO	7th & Thompson Sts.	Spring Garden Sta.
POD	0155	01891	Philipsburg	PO	N. 3rd & E. Laurel St.	MO
POD	0156	01892	Phoenixville	PO	Gay & Church Sts	MO
POD	0158	00158	Pittsburgh	PO-Ct	7th & Grant Sts	MO
POD	0265	00265	Pittsburgh	PO-FB	1099 Bower Hill Rd	Cedarhurst Branch
POD	0161	01896	Pittsburgh	PO	3038 W. Liberty Ave.	South Hills Branch
POD	0162	01895	Pittsburgh	PO	1800 Murray Ave.	Squirrel Hill Station
POD	0165	01898	Pittston	PO	11 Dock St.	MO

PENNSYLVANIA (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0256	00256	Pleasant Hills	Branch	520 E. Bruceton Rd.	Pleasant Hills Br[illegible] Pittsburgh
POD	0166	01899	Plymouth	PO	150 W. Main St.	MO
POD	0169	01902	Punxsutawney	PO	201 N. Findley St.	MO
POD	0170	01903	Quakertown	PO	416 W. Broad St.	MO
POD	0171	00171	Reading	PO	59 N. Fifth St.	MO
POD	0172	01905	Red Lion	PO	5 W. High St.	MO
POD	0173	01906	Renovo	PO	4th St. & Huron Ave.	MO
POD	0174	01907	Ridgeway	PO	18 So. Mill Ave.	MO
POD	0175	01908	Roaring Spring	PO	427 E. Main St.	MO
POD	0176	01909	Rochester	PO	Connecticut & Jackson	MO
POD	0177	01910	Royersford	PO	466 Main St.	MO
POD	0178	01911	Saint Marys	PO	Chestnut & S. Michael St.	MO
POD	0179	01912	Sayre	PO	240 Desmond St.	MO
POD	0180	01913	Schuylkill Haven	PO	2-6 W. Main St.	MO
POD	0181	01914	Scottdale	PO	Pittsburgh & Chestnut	MO
POD	0182	00182	Scranton	PO-Ct	N. Washington & Linden	MO
POD	0183	01917	Scranton	PO	S. Main Ave.	West Scranton Branch
POD	0184	01918	Selinsgrove	PO	100 S. Front St.	MO
POD	0185	01919	Sellersville	PO	130 N. Main St.	MO
POD	0186	01920	Sewickley	PO	200 Broad St.	MO
POD	0189	01924	Shenandoah	PO	119 N. White St.	MO
POD	0190	01926	Somerset	PO	201 N. Center Ave.	MO
POD	0192	01928	Steelton	Branch	29 Locust St.	Steelton Branch - Harrisburg
POD	0193	01825	Stroudsburg	PO	701 Ann St.	MO
POD	0194	01826	Sunbury	PO	3rd & Race St.	MO
POD	0195	01827	Swarthmore	PO	105 Rutgers Ave.	MO
POD	0196	01828	Tamaqua	PO	399 E. Broad St.	MO
POD	0197	01329	Tarentum	PO	704 Corbet St.	MO
POD	0198	01929	Titusville	PO	135 W. Spring St.	MO
POD	0199	01613	Towanda	PO	700 Main St.	MO
POD	0200	01614	Tunkahnnock	PO	109 Bridge St.	MO
POD	0201	02069	Turtle Creek	PO	116 Grant St.	MO
POD	0202	02070	Tyrone	PO	11th St. & Pennsylvania Ave.	MO
POD	0203	02071	Union City	PO	11 E. High St.	MO
POD	0205	02073	Upper Darby	PO	Fairfield & Bywood Aves	MO
POD	0206	01615	Vandergrift	PO	142 Farragut Ave.	MO
POD	0207	01617	Warren	PO	Liberty & Third Ave.	MO
POD	0208	01618	Washington	PO	55 W. Maiden St.	MO
POD	0209	01619	Wayne	PO	W. Wayne & S. Wayne Ave	MO
POD	0210	01620	Waynesboro	PO	118 E. Main St.	MO
POD	0211	01621	Waynesburg	PO	120 S. Morris St.	MO
POD	0213	01623	West Chester	PO	Gay and Walnut Streets	MO
POD	0163	01897	Wilkinsburg	Branch	600 Ross Avenue	Wilkinsburg Br. - Pittsburgh P.O.
GSA	0214	00214	Wilkes-Barre	PO-FB	197 South Main Street	ADP Center
POD	0216	01627	Williamsport	PO	245 West Fourth Street	MO
POD	0217	01628	Wyomissing	Branch	Penn. Ave. & Bern Road	Wyomissing Br. - Reading P.O.
POD	0218	01629	York	PO	200 South George Street	MO
POD	0257	00257	Youngsville	PO	39 Railroad Street	MO

PUERTO RICO

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0012	00012	Humacao	PO	Font Martello St.	MO
POD	0001	60165	Mayaguez	PO-CT	McKinly & Pilar Sts.	MO
POD	0002	60166	Ponce	PO-CT	Guadalupe & Atocha Sts.	MO

VIRGIN ISLANDS

POD	0001	60168	Charlotte Amalie	PO-CU	48 AA Norre Gade	MO

RHODE ISLAND

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0002	01080	East Greenwich	PO	11 Main St.	MO
POD	0008	01081	East Providence	Branch	17 Grove Ave.	East Providence Br. - Providence
POD	0003	04321	Harrisville	PO	Main St.	MO
POD	0012	01082	Narragansett	Branch	1 Exchange Place	Narragansett Br. - Wakefield
POD	0004	01083	Newport	PO-CU	Thames St.	MO
POD	0005	11381	Pascoag	PO	The Bridgeway	MO
POD	0006	01084	Pawtucket	PO	40 Montgomery St.	MO
POD	0019	20221	Providence	PO-FB	100 Hartford Ave.	Olyneyville Sta.
POD	0011	01087	Wakefield	PO	9 Robinson St.	MO
POD	0013	01088	Warren	PO	53 Child St.	MO
POD	0014	01089	Warwick	PO	3205 Post Road	MO
POD	0015	01090	Westerly	PO	1 High St.	MO
POD	0016	01107	West Warwick	PO	1190 Main St.	MO
POD	0017	01091	Woonsocket	PO	295 Main St.	MO

SOUTH CAROLINA

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0003	02560	Aiken	PO	203 Laurens St. SW	MO
POD	0005	02554	Bamberg	PO-FB	218 Railroad Ave.	MO
POD	0006	02553	Batesburg	PO	North Railroad Ave. & Pine St.	MO
POD	0007	02552	Beaufort	PO-CU	Cateret & Pt. Republic Sts.	MO
POD	0009	02550	Bishopville	PO	105 South Main	MO
POD	0010	02549	Camden	PO	542 DeKalb St.	MO
POD	0013	02264	Cheraw	PO	Market & 3rd Sts.	MO
POD	0015	02260	Chesterfield	PO-FB	201 East Main St.	MO
POD	0016	02259	Clemson	PO	Seneca Rd. & College Ave.	MO

SOUTH CAROLINA (Continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0017	02258	Clinton	PO	301 North Broad St.	MO
POD	0021	02570	Conway	PO	428 Main St.	MO
POD	0022	02569	Darlington	PO	201 Pearl St.	MO
POD	0023	02568	Dillon	PO	300 West Main St.	MO
POD	0024	02567	Easley	PO	140 East Main St.	MO
POD	0054	00054	Elloree	PO-FOB	Main St. & Cleveland Ave.	MO
POD	0025	02566	Florence	PO	211 West Evans St.	MO
POD	0026	02584	Gaffney	PO	501 North Granard St.	MO
POD	0032	02577	Kingstree	PO	129 West Mill St.	MO
POD	0033	02579	Lancaster	PO	301 South Main St.	MO
POD	0051	00051	Manning	PO-FB	Keitt & Mills Sts	MO
POD	0036	02599	Marion	PO	E. Main St. & E. Railroad Ave.	MO
POD	0037	02585	Mullins	PO	241 North Main St.	MO
POD	0055	00055	Ridgeland	PO-FB	Main at Perry St.	MO
POD	0040	02588	Rock Hill	PO-CH	201 East Main St.	MO
POD	0043	02591	Summerville	PO	135 Richardson Ave.	MO
POD	0046	02594	Walterboro	PO	305 East Washington St.	MO
POD	0047	02595	Ware Shoals	PO	Sparks Ave. & East Main St.	MO
POD	0056	00056	Williston	PO-FB	East Main St.	MO
POD	0048	02596	Winnsboro	PO	Congress & College Sts.	MO
POD	0049	02597	Woodruff	PO	130 North Main St.	MO
POD	0050	02598	York	PO	E. Liberty & Roosevelt Sts.	MO

SOUTH DAKOTA

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0002	02997	Belle Fourche	PO	804 State St.	MO
POD	0003	03058	Beresford	PO	100 South Third St.	MO
POD	0004	03057	Brookings	PO	500 Main Ave.	MO
POD	0005	03056	Chamberlain	PO	108 N. Sanborn	MO
POD	0006	03055	Custer	PO	643 Custer Ave.	MO
POD	0007	03054	Deadwood	PO-CT	68 Sherman St.	MO
POD	0008	03053	Flandreau	PO	102 W. Second Ave.	MO
POD	0009	03052	Gregory	PO	517 Main St.	MO
POD	0010	03051	Hot Springs	PO	146 North Chicago	MO
POD	0011	03050	Huron	PO	410 Dakota Ave. S. E.	MO
POD	0012	03049	Lead	PO	329 W. Main St.	MO
POD	0013	03402	Lemmon	PO	310 First Ave West	MO
POD	0014	03401	Madison	PO	119 East Center St.	MO
POD	0015	03375	Milbank	PO	3rd St. & 3rd Ave.	MO
POD	0017	03398	Mobridge	PO	404 Main St.	MO
POD	0019	03047	Rapid City	PO	731 St. Joseph St.	MO
POD	0020	03046	Redfield	PO	24 E. 6th Ave.	MO
POD	0037	00032	Sioux Falls	FB-PO	320 S. 2nd Ave.	MO
POD	0022	03045	Spearfish	PO	526 Main St.	MO
POD	0023	03044	Sturgis	PO	999 Main St.	MO
POD	0024	03043	Vermillion	PO	16 Court St.	MO
POD	0025	03364	Watertown	PO	26 S. Broadway	MO
POD	0026	03042	Webster	PO	715 Main St.	MO
POD	0027	03041	Winner	PO	02 Monroe St.	MO
POD	0028	03040	Yankton	PO	4th & Walnut St.	MO

TENNESSEE

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0002	02501	Bolivar	PO	118 East Market Street	MO
POD	0003	02502	Bristol	PO	630 Shelby Street	MO
POD	0004	02503	Brownsville	PO	60 South Washington Avenue	MO
POD	0005	02484	Camden	PO	81 Forrest Avenue	MO
GSA	0006	00006	Chattanooga	PO-CT	Tenth Street & Georgia Avenue	MO
POD	0008	02498	Cleveland	PO	155 Broad Street, N.W.	MO
POD	0009	02497	Clinton	PO	362 South Main Street	MO
POD	0011	02496	Cookeville	PO-CT	9 East Broad Street	MO
POD	0012	02495	Covington	PO	220 South Main Street	MO
POD	0013	02494	Crossville	PO	101 North Main Street	MO
POD	0014	02269	Dayton	PO	136 Main Street	MO
POD	0015	02268	Decherd	PO	Main and Diagonal Streets	MO
POD	0016	02284	Dickson	PO	201 West College Street	MO
POD	0017	02265	Dresden	PO	11 Maple Street	MO
POD	0019	02267	Elizabethton	PO	Sycamore and E Streets	MO
POD	0020	02283	Erwin	PO	123 North Main Street	MO
POD	0021	02281	Fayetteville	PO	226 East College Street	MO
POD	0022	02279	Franklin	PO	510 Columbia Avenue	MO
POD	0023	02280	Gallatin	PO	155 East Main Street	MO
POD	0024	02278	Gleason	PO	Cedar and Main Streets	MO
POD	0025	02277	Greeneville	PO-CT	Main and Summer Streets	MO
POD	0026	02276	Harriman	PO	506 Roane Street	MO
POD	0027	02293	Humboldt	PO	Osborne and Shane Streets	MO
POD	0028	02294	Huntingdon	PO	100 Court Square	MO
POD	New Building		Huntsville	PO	Potter Street at Court Square	MO
POD	0029	02292	Jackson	PO-CT	109 South Highland	MO
POD	0030	02291	Jefferson City	PO	200 East Andrew Jackson Hwy.	MO
POD	0031	02290	Jellico	PO-FB	300 North Main Street	MO
POD	0032	02289	Johnson City	PO	335 East Main Street	MO
GSA	0083	00083	Kingsport	PO-FB	320 West Center Street	MO
POD	0033	00033	Knoxville	PO-CT	Main Avenue & Walnut Street	MO
POD	0034	02296	La Follette	PO	119 South Tennessee Avenue	MO
POD	0035	02298	Lawrenceburg	PO	218 North Military Avenue	MO
POD	0037	02300	Lenoir City	PO	217 East Broadway	MO
POD	0038	02301	Lewisburg	PO	First Avenue & Belfast	MO
POD	0039	02302	Lexington	PO	26 South Broad Street	MO
POD	0040	02313	Livingston	PO-FB	105 South Public Square	MO
POD	0044	02786	McKenzie	PO	148 North Main Street	MO
POD	0045	02285	McMinnville	PO	Court Square and Morford Street	MO
POD	0041	02287	Manchester	PO-FB	200 North Spring Street	MO
POD	0046	02402	Memphis	PO-	1 North Front Street	MO
POD	0047	02400	Memphis	PO	161 East Calhoun	DeSoto Sta.
POD	0048	02399	Milan	PO	382 South Main Street	MO
POD	0049	02398	Morristown	PO-FB	134 North Henry Street	Henry St. Sta.
POD	0050	02396	Mount Pleasant	PO	201 North Main Street	MO
POD	0054	02271	Nashville	PO	901 Broadway	MO
POD	0055	02385	Newport	PO	102 West Broadway	MO
POD	0056	02386	Old Hickory	PO	1101 Donelson Avenue	MO
POD	0095	00095	Oneida	PO-FB	302 Second Street	MO
POD	0057	02387	Paris	PO	Market and Wood Streets	MO
POD	0058	02388	Pulaski	PO	111 West College Street	MO
POD	0059	02389	Ripley	PO	117 East Jackson Avenue	MO
POD	0060	02390	Rockwood	PO	340 West Rockwood	MO
POD	0061	02391	Rogersville	PO	203 West Main Street	MO
POD	0062	02392	Savannah	PO	507 Main Street	MO
POD	0063	02393	Sevierville	PO	167 Bruce Street	MO
GSA	0081	00081	Smithville	PO-FB	South First Street	MO

TENNESSEE (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0065	02376	South Pittsburg	PO	308 Elm Street	MO
POD	0066	02377	Sparta	PO	175 Public Square	MO
POD	0068	02359	Sweetwater	PO	701 North Main Street	MO
POD	0069	02360	Trenton	PO	200 College Street	MO
POD	0070	02361	Tullahoma	PO	201 North Atlantic Street	MO
POD	0071	02362	Union City	PO	114 West Washington Avenue	MO
POD	0072	02363	Waverly	PO-FB	113 West Main Street	MO

TEXAS

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	03641	Abilene	PO-CT	341 Pine Street	MO
POD	0236	00236	Alice	PO-FB	401 East Second Street	MO
POD	0004	03643	Alpine	PO	109 West Avenue E	MO
POD	0005	03644	Alvin	PO	302 West Sealy Street	MO
POD	0008	03645	Anson	PO	1002 Eleventh Street	MO
POD	0011	03646	Atlanta	PO	101 West Hiram Street	MO
POD	0015	03650	Ballinger	PO	South Eighth and Strong Streets	MO
POD	0016	03651	Bay City	PO	2100 Avenue F	MO
POD	0018	03653	Baytown	PO	3606 Market Street	Station "A"
POD	0017	03652	Baytown	PO	220 West DeFee Street	MO
POD	0020	03654	Beeville	PO	111 North St. Marys Street	MO
POD	0021	03655	Belton	PO	200 North Main Street	MO
POD	0239	00239	Big Springs	PO-FB	Main and Fifth Streets	MO
POD	0023	03657	Bonham	PO	200 North Center Street	MO
POD	0024	03658	Borger	PO	120 West Fifth Street	MO
POD	0025	03659	Bowie	PO	113 North Mason Street	MO
POD	0026	03660	Brady	PO	229 South Blackburn Street	MO
POD	0027	03661	Breckenridge	PO	Williams and Court Streets	MO
POD	0031	03664	Brownsville	PO-CT-CU	1001 East Elizabeth Street	MO
POD	0032	03665	Brownwood	PO	600 Center Avenue	MO
POD	0233	00233	Buffalo	PO-FB	Main and Center Streets	MO
POD	0034	03667	Caldwell	PO	102 West Fox Street	MO
POD	0035	03668	Cameron	PO	202 West Second Street	MO
POD	0036	03669	Canyon	PO	512 Fifteenth Street	MO
POD	0234	00234	Carthage	PO-FB	109 West Wellington Street	MO
POD	0037	03670	Center	PO	101 Tenaha Street	MO
POD	0038	03671	Childress	PO	212 Third Street, N.W.	MO
POD	0039	03672	Cisco	PO	204 West Sixth Street	MO
POD	0040	03673	Clarksville	PO	403-406 North Walnut Street	MO
POD	0041	03674	Cleburne	PO	10 North Robinson Street	MO
POD	0042	03675	Clifton	PO	407 West Fifth Street	MO
POD	0043	03676	Coleman	PO	201 West Pecan Street	MO
POD	0044	03677	College Station	PO	106 Houston Street	MO
POD	0045	03678	Colorado City	PO	116 West Third Street	MO
POD	0046	03679	Comanche	PO	110 East Grand Avenue	MO
POD	0047	03680	Commerce	PO	1210 Park Street	MO
POD	0049	03682	Cooper	PO	150 East Dallas Avenue	MO
GSA	0051	00051	Corpus Christi	PO-FB	Upper Broadway and Antelope Street	Downtown Sta.
POD	0053	03684	Corsicana	PO	116 South Main Street	MO
POD	0054	03685	Crockett	PO	600 East Goliad	MO
GSA	0196	00196	Daingerfield	PO-FB	Scurry and Peters Streets	MO
POD	0055	03687	Dalhart	PO	402 Denver Avenue	MO
GSA	0056	00056	Dallas	PO-CT	Bryan and Ervay Streets	MO
GSA	0057	00057	Dallas	FB	207 South Houston Street	Terminal Annex
POD	0059	03688	Decatur	PO	102 South Trinity Street	MO
POD	0061	03690	Denison	PO	231 West Woodard Street	MO

TEXAS (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0062	03691	Denton	PO-FB	21 North Locust Street	MO
POD	0064	03693	Eastland	PO	403 West Main Street	MO
POD	0066	03695	El Campo	PO	110 South Mechanic	MO
POD	0067	03696	Electra	PO	200 West Cleveland	MO
POD	0068	03697	Elgin	PO	21 North Avenue C	MO
POD	0070	03698	El Paso	PO	219 Mills Avenue	MO
POD	0071	03699	Ennis	PO	W. Knox & N. McKinney Streets	MO
POD	0074	03700	Farmersville	PO	203 McKinney Street	MO
POD	0076	03701	Fort Worth	PO	Jennings & Lancaster Streets	MO
POD	0077	03702	Fredericksburg	PO	125 West Main Street	MO
GSA	0204	00204	Gainesville	PO-FB	327 East California Street	MO
POD	0082	03704	Gatesville	PO	800 Leon Street	MO
POD	0083	03705	Georgetown	PO	Eighth and Church Streets	MO
POD	0084	03706	Giddings	PO	Austin and Leon Streets	MO
POD	0085	03707	Gilmer	PO	119 Simpson Street	MO
POD	0086	03708	Gladewater	PO	101 North Dean Street	MO
POD	0236	00236	Gonzales	PO-FB	920 St., Joseph Street	MO
POD	0088	03710	Graham	PO	510 Third Street	MO
POD	0090	03712	Groesbeck	PO	112 South Commerce Street	MO
POD	0091	03713	Hamilton	PO	120 South Rice Avenue	MO
POD	0092	03714	Harlingen	PO	221 East Van Buren Avenue	MO
POD	0093	03715	Hearne	PO	302 Magnolia Street	MO
POD	0094	03716	Henderson	PO	124 North Main Street	MO
POD	0095	03717	Hereford	PO	408 Main Street	MO
POD	0097	03719	Honey Grove	PO	100 Main Street	MO
POD	0100	03720	Houston	FB	600 Washington Avenue	Parcel Post Annex
POD	0104	03722	Huntsville	PO	1036 Eleventh Street	MO
POD	0105	03723	Jacksonville	PO	402 East Rusk Street	MO
POD	0106	03724	Jasper	PO	251 North Main Street	MO
POD	0108	03726	Kaufman	PO	300 West Mulberry Street	MO
POD	0109	03727	Kenedy	PO	223 South Second Street	MO
POD	0110	03728	Kerrville	PO	228 Earl Garrett Street	MO
POD	0111	03729	Kilgore	PO	200 South Kilgore Street	MO
POD	0112	03730	Kingsville	PO	103 East Kleberg Street	MO
POD	0113	03731	La Grange	PO	113 East Colorado Street	MO
POD	0115	03733	Lampasas	PO	401 East Second Street	MO
GSA	0117	00117	Laredo	PO-CT-CU	Matamuros St. & Juarez Ave.	MO
POD	0118	03734	Liberty	PO	528 Main Street	MO
POD	0119	03735	Linden	PO	201 East Rush Street	MO
POD	0120	03736	Littlefield	PO	110 East Sixth Street	MO
POD	0121	03737	Livingston	PO	208 West Church Street	MO
POD	0122	03738	Lockhart	PO	217 West Market Street	MO
POD	0123	03739	Longview	PO	201 East Methvin Street	Downtown Sta.
POD	0228	00228	Lubbock	PO	1515 Avenue G	MO & VMF
POD	0127	03741	Luling	PO	525 East Crockett Street	MO
POD	0131	03745	Mart	PO	301-07 Texas Avenue	MO
POD	0134	03746	Memphis	PO	700 Main Street	MO
POD	0135	03747	Mexia	PO	100 North McKinney Street	MO
POD	0136	03748	Midland	PO	114 North Loraine Street	MO
POD	0137	03749	Mineola	PO	116 North Pacific Street	MO
POD	0139	03751	Mission	PO	200 East Tenth Street	MO
POD	0144	03756	Nocona	PO	Clay and E. Walnut Streets	MO
POD	0237	00237	Naples	PO-FB	Main Street	MO
POD	0142	03754	Navasota	PO	115 FarquharStreet	MO
POD	0143	03755	New Braunfels	PO	196 North Castell Avenue	MO
GSA	0146	00146	Orange	PO-FB	Fourth Street	MO
POD	0148	03760	Pampa	PO	120 East Foster	MO
POD	0150	03761	Paris	PO-CT	231 Lamar Avenue	MO
POD	0151	03762	Pasadena	PO	102 South Munger Street	Bob Harris Sta.
POD	0225	00225	Pasadena	PO	1199 South Tatar Street	MO
POD	0152	03763	Pecos	PO-CT	106 West Fourth Street	MO

TEXAS (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0153	03764	Pittsburg	PO	146 Jefferson Street	MO
POD	0154	03765	Plainview	PO	715 Ash Street	MO
POD	0157	03766	Quanah	PO	219 West Third Street	MO
POD	0158	03767	Ranger	PO	302 North Austin Street	MO
POD	0159	03768	Robstown	PO	211 Main Street	MO
POD	0160	03769	Rockdale	PO	224 Ackerman Street	MO
POD	0161	03770	Rosenberg	PO	2103 Avenue G	MO
POD	0162	03771	Rusk	PO	112 West Fifth Street	MO
POD	0163	03752	San Angelo	PO-CT	33 East Twohig Street	MO
GSA	0164	00164	San Antonio	PO-CT	615 East Houston Street	MO
POD	0165	03783	San Benito	PO	417 North Sam Houston Street	MO
GSA	0166	00166	San Marcos	PO-FB	North Guadalupe & Hutchinson Sts.	MO
POD	0167	03785	Seguin	PO	302 North Camp Street	MO
POD	0168	03786	Seymour	PO	210 North Washington Street	MO
POD	0169	03787	Shamrock	PO	Madden and Third Streets	MO
POD	0171	03789	Smithville	PO	401 Main Street	MO
POD	0172	03790	Stamford	PO	115 South Swenson Avenue	MO
POD	0236	00236	Sulphur Springs	PO-FB	318 Church Street	MO
POD	0175	03773	Sweetwater	PO	301 East Third Street	MO
POD	0176	03774	Taylor	PO	303 West Fourth Street	MO
POD	0177	03775	Teague	PO	230 Main Street	MO
GSA	0206	00206	Terrell	PO-FB	Nash, Francis & Catherine Streets	MO
POD	0181	03779	Trinity	PO	Main at Elm	MO
POD	0183	03781	Uvalde	PO	Main and Getty Streets	MO
POD	0184	03792	Vernon	PO	1701 Texas Street	MO
POD	0186	00186	Waco	PO-CT	800 Franklin Avenue	MO
POD	0188	03796	Weatherford	PO	117 Ft. Worth Street	MO
POD	0189	03797	Wellington	PO	1000 West Avenue	MO
POD	0190	03798	Wharton	PO	141 East Milam Street	MO
POD	0191	03799	Wichita Falls	PO-CT	1000 Lamar Street	MO
POD	0193	03800	Yoakum	PO	122 Nelson	MO

UTAH

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	01482	Beaver	PO	20 South Main St.	MO
POD	0004	01485	Cedar City	PO	10 North Main St.	MO
POD	0040	19633	Dutch John	PO	500 South Center St.	MO
POD	0005	01486	Eureka	PO	Main and Wallace	MO
POD	0041	00020	Heber City	FB-PO	125 East 1st St.	MO
POD	0006	01487	Helper	PO	45 South Main St.	MO
POD	0008	01489	Nephi	PO	10 North Main St.	MO
GSA	0011	00011	Ogden	PO-FB	278 - 24th Street	MO
POD	0012	01490	Park City	PO	Main and 5th Streets	MO
POD	0013	01491	Price	PO	95 South Carbon Ave.	MO
POD	0015	01488	Richfield	PO	88 North Main St.	MO
POD	0018	01495	Salt Lake City	PO	2155 Highland Drive	Sugar House Sta.
POD	0021	01496	Spanish Fork	PO	205 North Main St.	MO
POD	0022	01497	Springville	PO	309 South Main St.	MO
POD	0016	01494	Saint George	PO	94 E. Tabernacle	MO
POD	0023	01498	Tooele	FB-PO	65 North Main St.	MO
POD	0024	01499	Vernal	FB-PO	92 West Main St.	MO

VERMONT

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	[illegible]	Barre	PO	8 South Main St.	MO
POD	[illegible]	[illegible]	Bellows Falls	PO	7 Bridge St.	MO
POD	[illegible]	[illegible]	Brattleboro	PO-CH	204 Main St.	MO
POD	[illegible]	[illegible]	Middlebury	PO	Main St.	MO
POD	0013	01100	Northfield	PO	84 South Main St.	MO
POD	0016	01101	Rutland	PO-CH	151 West St.	MO
POD	[illegible]	[illegible]	St. Johnsbury	PO-FB	20 Main St.	MO
POD	0020	01102	Springfield	PO	100 Main St.	MO
POD	[illegible]	01106	Windsor	PO-CH	55 Main St.	MO
POD	[illegible]	01097	Woodstock	PO	22 Central Ave.	MO

VIRGINIA

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	[illegible]	[illegible]	Alexandria	PO-CT	200 South Washington St.	MO
POD	[illegible]	[illegible]	Altavista	PO	Bedford Ave., and 7th St.	MO
POD	0007	00976	Appalachia	PO	534 North Main St.	MO
POD	0014	00975	Arlington	PO	3118 North Washington Blvd.	MO
POD	0016	[illegible]	Ashland	PO	211 England Street	MO
POD	0017	[illegible]	Bassett	PO	Main Street	MO
POD	0018	00944	Bedford	PO	119 East Main St.	MO
POD	0019	00943	Berryville	PO	27 North Church St.	MO
POD	0020	00942	Big Stone Gap	PO-CT	232 East Wood Ave.	MO
POD	0021	00941	Blacksburg	PO	Main and Jackson	MO
POD	0022	03940	Blackstone	PO	400 South Main St.	MO
POD	0023	[illegible]	Bluefield	PO	507 Virginia Avenue	MO
POD	0024	[illegible]	Bristol	PO	100 Piedmont Avenue	MO
POD	0025	[illegible]	Buena Vista	PO	21st Street and Forest Ave.	MO
POD	0027	[illegible]	Cape Charles	PO	200 Randolph Ave.	MO
POD	[illegible]	[illegible]	Charlottesville	PO-CT	200 East Market Street	MO
POD	[illegible]	[illegible]	Chatham	PO	Main and Pitt Streets	MO
POD	[illegible]	[illegible]	Chester	PO-FB	4226 West Hundred Road	MO
POD	[illegible]	[illegible]	Christiansburg	PO	2 East Main Street	MO
POD	0031	[illegible]	Clifton Forge	PO	Church and Commercial Ave.	MO
POD	[illegible]	[illegible]	Covington	PO	211 West Main St.	MO
POD	[illegible]	[illegible]	Culpeper	PO	Main and Spencer Streets	MO
POD	[illegible]	[illegible]	Danville	PO-CT	700 Main Street	MO
POD	[illegible]	[illegible]	Emporia	PO	109 South Main St.	MO
POD	[illegible]	[illegible]	Franklin	PO	201 North Main St.	MO
POD	[illegible]	[illegible]	Fredericksburg	PO	721 Princess Anne St.	MO
POD	[illegible]	[illegible]	Front Royal	PO	Main and Lee St.	MO
POD	0040	03950	Galax	PO	201 North Main Street	MO
POD	0042	03949	Hampton	PO	132 East Queen Street	MO
POD	0041	03907	Hampton	PO	102 East Mellen Street	Phoebus Sta.
POD	0043	03948	Harrisonburg	PO-CT	116 North Main Street	MO
POD	0044	03969	Hopewell	PO	117 West Poythress Street	MO
POD	0045	03986	Leesburg	PO	15 East Market Street	Downtown Sta.
POD	0046	03967	Lexington	PO	Lee Avenue and Nelson Street	MO
POD	0047	03966	Luray	PO	102 South Broad Street	MO
POD	0048	00048	Lynchburg	PO-CT	900 Church Street	MO
POD	0049	03964	Manassas	PO	211 West Church Street	MO
POD	0050	03963	Marion	PO	142 East Main Street	MO
POD	0052	03961	Newport News	PO-CT-CU	101 25th Street	MO
POD	0054	00054	Norfolk	PO-CT	600 Granby Street	MO
POD	0055	03903	Norton	PO	Seventh and Federal Streets	MO
POD	0056	03904	Onancock	PO	Market Street	MO

VIRGINIA (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0057	03905	Orange	PO	129 West Main Street	MO
POD	0058	03906	Petersburg	PO	29 Franklin Street	MO
POD	0059	03909	Pulaski	PO	109 North Washington Street	MO
POD	0060	03910	Radford	PO	1007 Norwood Street	MO
POD	0064	03912	Richmond	PO	1625 West Broad Street	Saunders Sta.
POD	0065	03913	Richmond	PO	1025 Hull Street	Southside Sta.
POD	0066	00066	Roanoke	PO-CT	212 Church Avenue	MO
POD	0067	03915	Rocky Mount	PO	202 College Street	MO
POD	0068	03991	Salem	PO	103 East Main Street	MO
POD	0069	03989	Smithfield	PO	236 Main Street	MO
POD	0070	03990	South Boston	PO	601 Main Street	MO
POD	0071	03991	Staunton	PO	120 West Frederick Street	Woodrum Sta.
POD	0072	03992	Strasburg	PO	118 West King Street	MO
POD	0073	03993	Stuart	PO	Main and Orchard Streets	MO
POD	0075	03995	Tazewell	PO	Main Street	MO
POD	0076	03962	Virginia Beach	PO	2400 Atlantic Avenue	MO
POD	0077	03996	Warrenton	PO	53 Main Street	MO
GSA	0078	00078	Waynesboro	PO-FB	South Wayne Ave. & Federal Street	MO
POD	0079	03997	West Point	PO	825 Main Street	MO
POD	0080	03998	Winchester	PO	Piccadilly and Braddock Streets	MO
POD	0081	03900	Woodstock	PO	Muhlenburg and Dingledin Streets	MO
POD	0082	03901	Wytheville	PO	105 East Main Street	MO

WASHINGTON

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0002	02943	Anacortes	PO	519 Commercial Avenue	MO
POD	0007	02946	Bremerton	PO	Pacific and Sixth Streets	MO
POD	0008	02947	Camas	PO	440 N.E. Fifth Avenue	MO
POD	0009	02948	Centralia	PO	214 West Locust Street	MO
POD	0010	02949	Chehalis	PO	1601 Cascade Avenue	MO
POD	0011	02950	Clarkston	PO	949 Sixth Street	MO
POD	0012	02951	Colfax	PO	South 211 Main Street	MO
POD	0013	02952	Colville	PO	204 South Oak	MO
GSA	0083	00062	Dayton	PO-FB	202 South Second Street	MO
POD	0016	02954	Hoquiam	PO	620 Eighth Street	MO
POD	0017	02955	Kelso	PO	304 Academy Street	MO
POD	0018	02934	Kent	PO	216 West Gowe Street	MO
POD	0019	02956	Longview	PO	1603 Larch Street	MO
POD	0020	02957	Lynden	PO	600 Front Street	MO
POD	0021	02958	Montesano	PO	211 Pioneer Avenue, West	MO
POD	0081	30214	Newport	PO-FB	100 North Washington Avenue	MO
POD	0023	02960	Okanogan	PO	212 Second Avenue, North	MO
POD	0025	02962	Omak	PO	104 South Main Street	MO
POD	0028	02964	Port Angeles	PO	First and Oak Streets	MO
POD	0029	02965	Port Townsend	PO-CU	1322 Washington Street	MO
POD	0030	02966	Prosser	PO	1103 Meade Avenue	MO
POD	0031	02967	Pullman	PO	237 Paradise Street	MO
POD	0032	02968	Puyallup	PO	204 Second Street, S.W.	MO
POD	0033	02969	Raymond	PO	406 Duryea Street	MO
POD	0034	02970	Renton	PO	314 Williams Street	MO
POD	0036	12022	Seattle	PO	901 Union Street	MO
POD	0039	02971	Seattle	PO	4244 University Way	University Sta. - Seattle P.O.

WASHINGTON (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
GSA	0041	00041	Seattle	PO-FB	3460 Fourth Avenue, South	Lander St. Annex
POD	0042	02975	Sedro Wooley	PO	111 Woodworth Street	MO
POD	0043	02976	Shelton	PO	Second Street & Railroad Avenue	MO
POD	0044	02977	Snohomish	PO	116 Union Avenue	MO
GSA	0045	00045	Spokane	PO-FB	West 904 Riverside	MO
POD	0046	02979	Sunnyside	PO	713 E. Edison Avenue	MO
POD	0047	00906	Tacoma	PO-CT-CU	1112 South A Street	MO
POD	0048	02981	Toppenish	PO	14 Jefferson Avenue	MO
POD	0049	02982	Vancouver	PO	1211 Daniels Avenue	MO
POD	0050	02983	Walla Walla	PO-CT	128 North Second Street	MO
POD	0052	02984	Wenatchee	PO	135 South Mission Street	Federal Annex
POD	0053	00053	Yakima	PO-CT	Third & Chestnut Streets	MO
POD	0051	02973	Wenatchee	PO	127 South Mission Street	MO

WEST VIRGINIA

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	03971	Alderson	PO	Railroad Ave., and Wickham	MO
POD	0005	03963	Charleston	PO	Lee and Dickinson Streets	MO
POD	0007	04011	Charles Town	PO	George & Washington Streets	MO
POD	0009	04012	Clarksburg	PO-CT	500 West Pike Street	MO
POD	0011	04013	Elkins	PO-CT	400 Davis Avenue	MO
POD	0012	03929	Fairmont	PO-CT	200 Fairmont Ave.	MO
POD	0013	03928	Fayetteville	PO	120 West Maple Street	MO
POD	0059	00059	Gassaway	PO-FB	Elk Street at Fourth	MO
POD	0055	00055	Glenville	PO-FB	Main Street	MO
POD	0014	03927	Grafton	PO	260 West Main Street	MO
POD	0015	03926	Hinton	PO	Ballengee & Second Ave.	MO
POD	0016	00016	Huntington	PO-CT	9th Street & 5th Avenue	MO
POD	0017	03924	Kenova	PO	1300 Chestnut St.	MO
POD	0018	03923	Keyser	PO	2 North Davis Street	MO
POD	0019	03922	Lewisburg	PO	204 East Washington St.	MO
POD	0020	03921	Logan	PO	Hudgins and Guyan Streets	MO
POD	0021	04025	Mannington	PO	13 Water Street	MO
POD	0022	04000	Marlinton	PO	819 Fourth Ave.	MO
POD	0024	03990	Montgomery	PO	315 Fourth Ave.	MO
POD	0025	03966	Morgantown	PO	107 High Street	MO
POD	0027	03917	Mount Hope	PO	415 Main Street	MO
POD	0028	03918	New Martinsville	PO	230 Main Street	MO
POD	0029	03919	Oak Hill	PO	206 Main Street	MO
POD	0061	00061	Parsons	PO-FB	235 Walnut Street	MO
POD	0031	03932	Phillipi	PO-CT	102-104 South Main Street	MO
POD	0062	00062	Pineville	PO-FB	Second Ave. & C Street	MO
POD	0032	03930	Point Pleasant	PO	4th and Main Streets	MO
POD	0033	03933	Princeton	PO	Mercer Street & Park Avenue	MO
POD	0034	04010	Richwood	PO	22 East Main Street	MO
POD	0035	04009	Ripley	PO	114-118 East Main Street	MO
GSA	0049	00049	Ronceverte	PO-FB	315 West Edgar Avenue	MO
POD	0036	04008	St. Albans	PO	200 Sixth Avenue	MO
POD	0037	04007	St. Mary's	PO	402 Second Street	MO
POD	0038	04006	Salem	PO	147 West Main Street	MO
POD	0039	04005	Sistersville	PO	521 Wells Street	MO
POD	0040	04004	Spencer	PO	East Main and Court Streets	MO
POD	0041	04003	Webster Springs	PO	100 Back Fort Street	MO
POD	0042	04001	Weirton	PO	West Street & Mildren Avenue	Cove Sta.
POD	0045	03998	Wellsburg	PO	Tenth and Charles Streets	MO
POD	0046	03997	Weston	PO	119 Center Avenue	MO
POD	0063	00063	White Sulphur Springs	PO-FB	90 East Main Street	MO
POD	0048	03992	Williamson	PO-CT	Second Avenue & Harvey Street	MO

WISCONSIN

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0201	00637	Antigo	PO	Clermont Street & Sixth Avenue	MO
POD	0002	00638	Appleton	PO	120 North Superior	MO
POD	0003	00639	Ashland	PO	615 West Second Street	MO
POD	0007	00643	Berlin	PO	122 South Pearl Street	MO
POD	0008	00644	Black River Falls	PO	106 Fillmore Street	MO
POD	0010	00646	Chilton	PO	57 East Main Street	MO
POD	0011	00647	Chippewa Falls	PO	315 North Bridge Street	MO
POD	0012	00648	Clintonville	PO	2 North Main Street	MO
POD	0013	00649	Columbus	PO	211 South Dickason Blvd.	MO
POD	0014	00650	Delavan	PO	315 East Walworth Avenue	MO
POD	0015	00651	De Pere	PO	416 George Street	MO
POD	0099	00099	Eagle River	PO-FB	401 Wall Street	MO
POD	0017	00653	Edgerton	PO	104 North Swift Street	MO
POD	0018	00654	Elkhorn	PO	102 East Walworth Street	MO
POD	0100	00100	Elroy	PO-FB	266 Main Street	MO
POD	0020	00656	Ft. Atkinson	PO	24 East Milwaukee Avenue	MO
GSA	0086	00086	Green Bay	PO-FB	325 East Walnut Street	MO
POD	0022	00658	Hartford	PO	35 East Sumner Street	MO
POD	0023	00659	Hayward	PO	Fourth Street & Iowa Avenue	MO
POD	0101	00101	Horicon	PO-FB	420 East Lake Street	MO
POD	0024	00660	Hudson	PO	225 Locust Street	MO
POD	0025	00661	Janesville	PO	210 Dodge Street	MO
POD	0026	00662	Jefferson	PO	122 South Center	MO
POD	0027	00663	Kaukauna	PO	106 Main Avenue	MO
POD	0028	00664	Kenosha	PO	5605 Sheridan Road	MO
POD	0029	00665	Kewaunee	PO	119 Ellis Street	MO
POD	0030	00666	La Crosse	PO-CT	Fourth & State Streets	MO
POD	0031	00667	Ladysmith	PO	212 West Miner Avenue	MO
POD	0032	00668	Lake Geneva	PO	672 Main Street	MO
POD	0033	00669	Lancaster	PO	236 West Maple Street	MO
POD	0034	00034	Madison	PO-CT	215 Monona Avenue	MO
POD	0037	00673	Marshfield	PO	202 South Chestnut	MO
POD	0038	00674	Mayville	PO	North School & Bridge Streets	MO
POD	0039	00675	Medford	PO	304 South Main Street	MO
POD	0040	00676	Menasha	PO	84 Racine Street	MO
POD	0041	00677	Menomonie	PO	235 Main Street	MO
POD	0042	00678	Merrill	PO	430 East Second Street	MO
POD	0046	00679	Milwaukee	PO	2650 North Third Street	Upper Third St. Sta.
POD	0049	00682	Mineral Point	PO	269 High Street	MO
POD	0050	00683	Monroe	PO	1724 Eleventh Street	MO
POD	0052	00685	Neillsville	PO	619 South Hewett Street	MO
POD	0053	00687	Oconomowoc	PO	South Main and South Streets	MO
POD	0054	00688	Oconto	PO	141 Congress Street	MO
POD	0055	00689	Oshkosh	PO	219 Washington Avenue	MO
POD	0056	00690	Park Falls	PO	109 First Street, North	MO
POD	0057	00691	Platteville	PO	85 South Court Street	MO
POD	0058	00692	Plymouth	PO	East Main and Stafford Streets	MO
POD	0059	00693	Portage	PO	215 West Conant Street	MO
POD	0060	00694	Port Washington	PO	104 East Main Street	MO
POD	0061	00695	Prairie du Chien	PO	120 Beaumont Road	MO
POD	0062	00696	Racine	PO	603 Main Street	MO
POD	0063	00697	Reedsburg	PO	215 North Walnut Street	MO
POD	0065	00699	Rice Lake	PO	14 East Eau Claire Street	MO
POD	0066	00700	Richland Center	PO	215 North Central Avenue	MO
POD	0067	00067	Ripon	PO	220 Blackburn Street	MO
POD	0068	00702	Shawano	PO	235 South Main Street	MO

WISCONSIN (continued)

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0069	00703	Sheboygan	PO	522 North Ninth Street	MO
POD	0045	00680	Shorewood	Branch	1620 East Capitol Drive	Shorewood Br. - Milwaukee P.O.
POD	0070	00704	South Milwaukee	PO	2210 Tenth Avenue	MO
POD	0071	00705	Sparta	PO	West Main and North Court Sts.	MO
POD	0073	00707	Stoughton	PO	246 East Main Street	MO
POD	0074	00708	Sturgeon Bay	PO	359 Louisiana Street	MO
POD	0075	00709	Tomah	PO	903 Superior Avenue	MO
POD	0076	00710	Two Rivers	PO	1516 Eighteenth Street	MO
POD	0077	00711	Viroqua	PO	119 East Jefferson Street	MO
POD	0080	00714	Waupaca	PO	306 South Main Street	MO
POD	0081	00715	Waupum	PO	400 East Franklin Street	MO
POD	0047	00681	West Allis	Branch	7440 West Greenfield Drive	West Allis Br. - Milwaukee P.O.
POD	0083	00717	West Bend	PO	607 Elm Street	MO
POD	0084	00718	Whitewater	PO	213 Center Street	MO
POD	0085	00719	Wisconsin Rapids	PO	320 East Grand Avenue	MO

WYOMING

Oper. Agcy.	GSA Inst. No.	POD Inst. No.	City	Type Bldg.	Street Address	Postal Unit
POD	0001	01500	Basin	PO	402 West C Street	MO
POD	0002	01501	Buffalo	PO	193 South Main Street	MO
POD	0007	01504	Cody	PO	13th and Beck Avenue	MO
POD	0008	01505	Douglas	PO	129 North Third Street	MO
POD	0009	01506	Evanston	PO-CT	Tenth and Center Streets	MO
POD	0010	01507	Gillette	PO	301 Gillette Avenue	MO
POD	0011	01508	Green River	PO	41 East Flaming Gorge Way	MO
POD	0012	01509	Greybull	PO	401 Greybull Avenue	MO
POD	0013	01510	Kemmerer	PO	Sapphire and Cedar Streets	MO
POD	0014	01511	Lander	PO-CT	177 North Third Street	MO
POD	0016	01514	New Castle	PO	Main and North Sumner	MO
POD	0017	01515	Powell	PO	270 North Bent Street	MO
POD	0018	01516	Rawlins	PO	519 West Cedar Street	MO
POD	0019	01517	Riverton	PO	Fifth and East Main	MO
POD	0020	01518	Rock Springs	PO	B and Broadway	MO
POD	0022	01520	Thermopolis	PO	440 Arapahoe Street	MO
POD	0023	01521	Torrington	PO	2145 Main Street	MO
POD	0024	01522	Wheatland	PO	Main Street	MO
POD	0026	01524	Yellowstone Park	PO	Mammoth Parkway	MO

APPENDIX C

POD Inst.No.	City	Type Bldg.	Postal Unit
10350	Saint Marys, OH Corner Chestnut & High Streets	PO	MO
10360	Denver, CO Sixteenth & Wynkoop Streets	FB	Terminal Annex
10359	Point Pleasant Beach, NJ 410 Arnold Avenue	PO	MO
11360	West Memphis, AR 114 North Missouri Street	PO	MO
11369	Newkirk, OK Seventh & Main Streets	PO	MO

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RESPONSES TO WRITTEN QUESTIONS SUBMITTED BY SENATOR STEVENS

1. **We understand that in your window automation project, PRISM, that you were to have completed evaluations of the two pilot vendors by this time. Have you completed the evaluations as planned and what were the results?**

   Evaluations of the PRISM system have not been completed. A series of after cost and service studies are still being conducted.

2. **What is your schedule for moving to nationwide implementation of your window automation project, PRISM?**

   The current schedule is to go to the Board of Governors in July with a recommendation and request approval for national deployment of window automation systems. It is anticipated contract award will be made in December 1987 with implementation to begin in April 1988.

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